

GREAT PLAINS COUNTRY
ASSOCIATION, INC.

FINANCIAL STATEMENTS
AND AUDITOR'S REPORTS

JUNE 30, 2012

GREAT PLAINS COUNTRY ASSOCIATION, INC.
TABLE OF CONTENTS
JUNE 30, 2012

	<u>PAGE NUMBER</u>
Independent Auditor's Report	1 - 2
Financial Statements - Cash Basis	
Statement of Assets, Liabilities and Net Assets - Cash Basis	3
Statement of Revenues, Expenses and Changes in Net Assets - Cash Basis	4
Statement of Cash Flows - Cash Basis	5
Notes to Financial Statements	6 - 9
Supplemental Information	
Sources of Revenue - Cash Basis	10 - 11
Allowable or Discretionary Expense - Cash Basis	12 - 13
List of Advertisers in the Great Plains Country Promotional Periodical Publication - Cash Basis - Unaudited	14 - 16
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Performed in Accordance with <u>Government Auditing Standards</u>	17 - 18
Schedule of Findings and Responses	19
Update on Prior Year Audit Comments	20 - 21



Certified Public Accountants

*Glenn L. McCulley
Roselind C. McCulley*

*204 North Caddo
Post Office Box 1626
Weatherford, Oklahoma 73096*

*Voice (580) 772-8820
Fax (580) 772-0672*

*<http://prep.1040.com/mcculleycpas>
email: mncpas@cebridge.net*

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, 2012, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Great Plains Country Association, Inc., at June 30, 2012, 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 25, 2013, 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, 2012, 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 - Cash Basis - 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 25, 2013

GREAT PLAINS COUNTRY ASSOCIATION, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
CASH BASIS
JUNE 30, 2012

ASSETS

Current Assets:

Cash in Bank \$ 3,583

Total Current Assets 3,583

Capital Assets 4,398
Less Accumulated Depreciation (2,413)

Net Fixed Assets 1,985

TOTAL ASSETS **\$ 5,568**

LIABILITIES AND NET ASSETS

Bank Overdrafts \$ 2,402
Current Payroll Liabilities 2,064

TOTAL LIABILITIES 4,466

Net Assets - Unrestricted 1,102

TOTAL LIABILITIES AND NET ASSETS **\$ 5,568**

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, 2012**

CHANGES IN UNRESTRICTED NET ASSETS

REVENUES

Travel Guide Advertising Sales	\$ 45,377
State Matching Funds	92,776
Oklahoma State Vacation Guide	23,601
Other Advertising Sales	79,461
Memberships	4,240
Interest	12
Other Revenues	1,284
TOTAL REVENUES	<u>246,751</u>

EXPENSES

Tourism Promotion Expense

Travel Guide Production	26,832
Literature Distribution	13,182
Oklahoma State Vacation Guide	22,498
Cooperative Advertising	104,872
Governor's Conference	773
Website	1,295
Total Tourism Promotion Expense	<u>169,452</u>

Administration Expense

Compensation and Benefits	45,991
Office Supplies	550
Auditing and Professional Expense	5,600
Depreciation Expense	739
Travel and Meals	3,964
Bond and Other Insurance	2,183
Office and Storage Rent (Month to Month)	3,600
Telephone and Internet	3,756
Advertising	100
Other	4,641
Total Administration Expense	<u>71,124</u>

Non-allowable Promotional Items

3,869

TOTAL EXPENSES

244,445

INCREASE IN NET ASSETS

2,306

NET ASSETS

Beginning of Year	<u>(1,204)</u>
End of Year	<u>\$ 1,102</u>

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

GREAT PLAINS COUNTRY ASSOCIATION, INC.
STATEMENT OF CASH FLOWS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Cash Flows from Operating Activities	
Cash Received from Travel Guide Advertising Sales	\$ 45,377
Cash Received from State Assistance	92,776
Cash Received from Oklahoma State Vacation Guide Ad Sales	23,601
Cash Received from Other Advertising Sales	79,461
Cash Received from Membership Fees	4,240
Cash Received from Other Sources	1,284
Interest Received	12
Cash Paid for Tourism Promotion Expenses	(169,452)
Cash Paid for Employees and Benefits	(44,426)
Cash Paid for Non-allowable Promotional Items	(3,869)
Cash Paid for Other Administration Expenses	<u>(24,394)</u>
Net Cash Provided by Operating Activities	<u>4,610</u>
Cash Flows from Investing Activities	
Purchase of Capital Assets	<u>(486)</u>
Net Cash (Used for) Investing Activities	<u>(486)</u>
Net Increase in Cash and Cash Equivalents	4,124
Cash and Cash Equivalents	
Beginning of Year	<u>(2,943)</u>
End of Year	<u><u>\$ 1,181</u></u>
Reconciliation of Increase in Net Assets	
to Net Cash Provided by Operating Activities	
Increase in Net Assets	\$ 2,306
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	739
Increase in Current Liabilities	<u>1,565</u>
Net Cash Provided by Operating Activities	<u><u>\$ 4,610</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, 2012

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, except as noted below. Generally accepted accounting principles require non-profit organizations to report on the accrual basis. Under the accrual basis, revenues are recognized when earned and expenses are recognized when the liability is incurred.

GREAT PLAINS COUNTRY ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDING JUNE 30, 2012

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 (Arvest Bank in Duncan, Oklahoma). Cash in bank is the entity's money market account. The demand deposit account is showing a bank overdraft of \$2,402. No actual bank overdraft occurred. All cash in bank and bank overdraft accounts are FDIC insured. Cash and cash equivalents for purposes of the statement of cash flows include the Association's cash in bank and bank overdraft accounts.

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>2011</u>	<u>Additions</u>	<u>Deletions</u>	June 30, <u>2012</u>
Equipment	\$ 10,193	\$ 486	\$(6,281)	\$ 4,398
Less Accumulated Depreciation	<u>(7,955)</u>	<u>(739)</u>	<u>6,281</u>	<u>(2,413)</u>
Net Capital Assets	<u>\$ 2,238</u>	<u>\$ (253)</u>	<u>\$ -0-</u>	<u>\$ 1,985</u>

The equipment and accumulated depreciation deleted amounts are fully depreciated equipment which the Association no longer has or are obsolete.

GREAT PLAINS COUNTRY ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDING JUNE 30, 2012

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, 2012. The Association's state matching funds for fiscal year 2012 was originally approved for \$71,043.

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, 2012, the Association has claimed \$71,043 of its fiscal year 2012 State allocation and it received \$21,733 for promotional claim #4 for June 30, 2011, fiscal year on August 1, 2011. Total State matching funds received for the Association's fiscal year ending June 30, 2012 was \$92,776.

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 employees. The executive director receives and deposits the Association's funds. During the year ending June 30, 2012, 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, 2012**

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 2012, the Association billed its advertisers for their respective advertising costs. Only the amounts paid by the advertiser and deposited in the cash account are shown in this audit report as advertising sales revenue.

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	\$ 37,430	\$ 7,947	\$ 45,377
Oklahoma State Vacation	16,111	7,490	23,601
Other Advertising Sales	76,976	2,485	79,461
Membership Fees	4,240		4,240
Other Income	<u>1,034</u>	<u>250</u>	<u>1,284</u>
Total	<u>\$135,791</u>	<u>\$18,172</u>	<u>\$153,963</u>

7. Other Advertising Sales and Expense.

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

GREAT PLAINS COUNTRY ASSOCIATION, INC.
SOURCES OF REVENUES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2012

State of Oklahoma Matching Funds	\$	92,776	
Memberships Paid Directly to Great Plains Country		4,240	
Interest from Bank on Cash and Money Market Funds		12	
Great Plains Country Luncheon Meetings Fees		605	
Conferences		679	
Travel Guide Advertising Sales -			
From Advertisers Directly to Great Plains Country Association			45,377
Oklahoma State Vacation Guide -			
Clinton Chamber of Commerce	\$	1,750	
Comanche Nation Tourism Center		3,548	
Comanche Nation Museum		3,942	
Elk City Chamber of Commerce		5,097	
Quartz Mountain Resort & Conference Center		5,716	
Weatherford Chamber of Commerce		<u>3,548</u>	23,601
Other Miscellaneous Coop Ads			
Altus Chamber of Commerce		593	
Chisholm Trail Heritage Center		175	
Duncan Convention and Visitors Bureau		11,540	
Elk City Chamber of Commerce		3,807	
Frederick Chamber of Commerce		970	
Lawton Chamber of Commerce		450	
City of Comanche		<u>450</u>	
Total Other Miscellaneous Coop Ads		<u>17,985</u>	
Magazines and Other Vacation Guides -			
Metro Family Magazine -			
Elk City Chamber of Commerce		1,270	
Lawton Chamber of Commerce		1,789	
Weatherford Chamber of Commerce		697	
Oklahoma Today			
Distinctive Décor		345	
Duncan Convention and Visitors Bureau		5,476	
Elk City Chamber of Commerce		4,563	
Prairie House Foundation		345	
Quartz Mountain Resort & Conference Center		5,476	
R & S Drug		345	
Weatherford Chamber of Commerce		5,220	

(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, 2012
(CONTINUED)

Magazines and Other Vacation Guides - (continued)

True West

Clinton Chamber of Commerce	525
Duncan Convention and Visitors Bureau	2,760
Elk City Chamber of Commerce	13,986
Lawton Chamber of Commerce	11,295
Weatherford Chamber of Commerce	1,500

Total Magazines and Other Vacation Guides	55,592
---	--------

Travel Show Productions

Duncan Convention and Visitors Bureau	850
Lawton Chamber of Commerce	150
Quartz Mountain Resort & Conference Center	125
Weatherford Chamber of Commerce	225

Total Travel Show Productions	1,350
-------------------------------	-------

Promotional Items

Duncan Convention and Visitors Bureau	500
Lawton Chamber of Commerce	1,934
Total Promotional Items	2,434

Brochures

Duncan Convention and Visitors Bureau	700
Lawton Chamber of Commerce	100
Town of Medicine Park	100
Quartz Mountain Resort & Conference Center	150
Red River Valley Tourism Association	900
Sleep Inn & Suites	100
Weatherford Chamber of Commerce	50
Total Brochures	2,100

Total Other Advertising Sales	79,461
-------------------------------	--------

TOTAL REVENUES	\$ 246,751
-----------------------	-------------------

See accompanying auditor's report.

**GREAT PLAINS COUNTRY ASSOCIATION, INC.
ALLOWABLE OR DISCRETIONARY EXPENSE - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

EXPENSES	ALLOW- ABLE	DISCRE- TIONARY	TOTAL
Tourism Promotion Expense			
Travel Guide Production :	\$	\$	\$
Welch Creative Services	3,955		3,955
McCormick Armstrong Printing	22,877		22,877
Literature Distribution:			
Certified Folder Display	600	4,863	5,463
U. S. Postal and Other Shipping Methods		843	843
Oklahoma Tourism & Recreation Department	2,801	4,075	6,876
Oklahoma State Vacation Guide:			
Oklahoma Tourism & Recreation Department		22,498	22,498
Cooperative Advertising:			
Oklahoma Today	13,046	7,487	20,533
Metro Family Magazine		6,612	6,612
Group Tour Media	7,000		7,000
True West Publishing, Inc.	9,545	25,260	34,805
Miscellaneous Cooperative Ads			
Oklahoma State Game Wardens Magazine		750	750
Skyline Publishing - Wichita County Visitors Guide		350	350
McCormick Armstrong - Duncan & Elk City Visitors Guide		12,110	12,110
Red River Family Magazine	1,705	1,060	2,765
Kaeser & Blaire, Inc.		4,000	4,000
Oklahoma Lakes & Countries		450	450
Promotional Items			
Oklahoma Tourism & Recreation Dept.	1,000		1,000
Radio/Television Media			
Final Descent Outdoors	909		909
Conferences:			
Oklahoma Restaurant Association		773	773

(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, 2012
(CONTINUED)

EXPENSES	ALLOW- ABLE	DISCRE- TIONARY	TOTAL
	<hr/>	<hr/>	<hr/>
Travel Shows:			
Red Hat Society International Convention, New Orleans, La.	400	752	1,152
Red Carpet Charter Travel Show, Oklahoma City, Ok.	330	203	533
Wichita Falls Women's Expo, Wichita Falls, Tx.	750	44	794
Oklahoma State Fair, Oklahoma City, Ok.	675		675
Wichita Women's Fair, Wichita, Ks.	725	150	875
McAllen International Travel Show, McAllen, Tx.	450	1,439	1,889
AARP Life @ 50+ National Event, Los Angeles, Ca.	300		300
Dallas Travel & Adventure Show, Dallas, Tx.	900	435	1,335
Dallas Home & Garden Show, Dallas, Tx.		334	334
Tulsa State Fair, Tulsa, Ok.	675		675
Ft. Worth Vacation, Leisure Show, Ft. Worth, Tx.	1,450	670	2,120
Kansas Sports, Boat & Travel Show, Overland Park, Ks.	225		225
Kansas City Just for Her Expo, Overland Park, Ks.	500	1,176	1,676
Oklahoma Road Show, Oklahoma City, Ok.		780	780
St. Louis Working Women's Survival Show, St. Charles, Mo.	225		225
Website:			
Oklahoma Technology Solutions		941	941
NetPlus		354	354
	<hr/>	<hr/>	<hr/>
Total Tourism Promotional Expense	71,043	98,409	169,452
	<hr/>	<hr/>	<hr/>
Administration Expense			
Compensation and Benefits		45,991	45,991
Office Supplies		550	550
Auditing and Professional Expense		5,600	5,600
Depreciation Expense		739	739
Travel and Meals		3,964	3,964
Bond		2,183	2,183
Office Rent		3,600	3,600
Telephone and Internet		3,756	3,756
Advertising		100	100
Other		4,641	4,641
	<hr/>	<hr/>	<hr/>
Total Administration Expense	0	71,124	71,124
	<hr/>	<hr/>	<hr/>
TOTAL ALLOWABLE/DISCRETIONARY EXPENSES	71,043	\$ 169,533	\$ 240,576
	<hr/>	<hr/>	<hr/>
Add 2011 Promo Claim #4 Received in Fiscal Year 2012	21,733		
	<hr/>		
Total State Matching Funds	\$ 92,776		
	<hr/>		

See accompanying auditor's report.

SUPPLEMENTARY INFORMATION

**GREAT PLAINS COUNTRY ASSOCIATION
LIST OF ADVERTISERS IN THE GREAT PLAINS COUNTRY
PROMOTIONAL PERIODICAL PUBLICATION - CASH BASIS - UNAUDITED
AS OF JUNE 30, 2012**

NAME/ADDRESS	SIZE	AD/ED	AMOUNT RECEIVED *
Altus Chamber of Commerce P. O. Box 518 Altus, OK 73521	2 Pages	AD	\$3,740
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	1,995
Comanche City Hall 500 N. Rodeo Drive Comanche, OK 73529	1/2 Page	AD	1,195
Comanche National Museum 701 NW Ferris Ave. Lawton, OK 73507	1 Page	AD	3,157
Duncan Convention & Visitors Bureau P. O. Box 981 Duncan, OK 73534	2 Page	AD	3,790
Elk City Chamber of Commerce P. O. Box 9721 Elk City, OK 73648	3 Pages	AD	6,555
Frederick Chamber of Commerce 105 S. Main Frederick, OK 73542	2 Pages	AD	3,740
Greer County Chamber of Commerce 222 W. Jefferson Mangum, OK 74554	2 Pages	AD	3,740
Heartland of America Heritage Foundation 1600 Frontage Rd. Weatherford, OK 73096	1/2 Page	AD	1,195

See accompanying auditor's report.

GREAT PLAINS COUNTRY ASSOCIATION
LIST OF ADVERTISERS IN THE GREAT PLAINS COUNTRY
PROMOTIONAL PERIODICAL PUBLICATION - CASH BASIS - UNAUDITED
AS OF JUNE 30, 2012

NAME/ADDRESS	SIZE	AD/ED	AMOUNT RECEIVED *
Hinton Economic Development P. O. Box 159 Hinton, OK 73047	1 Page	AD	1,995
Lavender Valley Acres RR 2 Box 144A Apache, OK 73006	1/6 Page	AD	250
Lawton Chamber of Commerce P. O. Box 1376 Lawton, OK 73502	3 Pages	AD	6,160
Town of Medicine Park P. O. Box 231 Medicine Park, OK 73557	1/4 Page	AD	675
Museum of the Great Plains 601 NW Ferris Avenue Lawton, OK 73507	1/4 Page	AD	675
Prairie Circuit Rodeo % Joe Henderson 1706 N. Highway 81 Duncan, Ok 73533	1/4 Page	AD	675
Sleep Inn & Suites 421 SE Interstate Dr. Lawton, OK 73501	1/4 Page	AD	675
Weatherford Chamber of Commerce P. O. Box 857 Weatherford, OK 73096	2 1/4 Pages	AD	3,720

See accompanying auditor's report.

GREAT PLAINS COUNTRY ASSOCIATION
 LIST OF ADVERTISERS IN THE GREAT PLAINS COUNTRY
 PROMOTIONAL PERIODICAL PUBLICATION - CASH BASIS - UNAUDITED
 AS OF JUNE 30, 2012

NAME/ADDRESS	SIZE	AD/ED	AMOUNT RECEIVED *
Z Axis Enterprises 205B East Lake P. O. Box 278 Medicine Park, OK 73557	1/2 Page	AD	1,195
Total Amount Received			<u>45,377</u>

* Cash received by the Association from the advertisers in the fiscal year ending June 30, 2012. Unless otherwise noted, the advertising amount is for the 2012 Travel Guide.

See accompanying auditor's report.



Certified Public Accountants

*Glenn L. McCulley
Roselind C. McCulley*

*204 North Caddo
Post Office Box 1626
Weatherford, Oklahoma 73096*

*Voice (580) 772-8820
Fax (580) 772-0672*

*<http://prep.1040.com/mcculleycpas>
email: mmcpas@cebridge.net*

**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, 2012, and have issued our report dated January 25, 2013. 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. 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.

Management of the Association is responsible for establishing and maintaining effective 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 a material weakness.

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.

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 25, 2013

GREAT PLAINS COUNTRY ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012

1. Lack of Segregation of Duties.

CONDITION AND EFFECT - The Association only has one full-time employee who is responsible for receiving the monies for deposit, depositing them into the Association's bank account and paying the bills. The Association hired an outside professional accountant to maintain its books and records and to reconcile the bank account. Although this strengthens this weakness, overall segregation of duties 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.

GREAT PLAINS COUNTRY ASSOCIATION, INC.
UPDATE ON PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2012

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/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.

UPDATED COMMENT - The Association has implemented this recommendation. Comment removed in this year's audit report.

GREAT PLAINS COUNTRY ASSOCIATION, INC.
UPDATE ON PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2012

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.

UPDATED COMMENT - Recommendation implemented and comment removed in this year's audit report.