

**LAKE TENKILLER ASSOCIATION, INC.
COOKSON, OKLAHOMA**

AUDITED FINANCIAL STATEMENTS
For the year ended June 30, 2010 and 2011

Audited By:
ROBERT ST. PIERRE, C.P.A., P.C.
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**INDEPENDENT
AUDITOR'S
REPORT**

ROBERT ST. PIERRE C.P.A., P.C.

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lake Tenkiller Association, Inc.
Cookson, OK 74427

We have audited the accompanying statement of assets, liabilities, and net assets-cash basis of Lake Tenkiller Association, Inc., as of June 30, 2010 and 2011, and the related statement of support, revenues and expenses-cash basis for the year then ended. These financial statements are the responsibility of the organization'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 the *Government 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 audits provide a reasonable basis for our opinion.

As described in Note B, the association prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly in all material respects, the assets, liabilities, and net assets of Lake Tenkiller Association, Inc., as of June 30, 2010 and 2011, and its support, revenue, expenses, for the year then ended, on the basis of accounting described in Note B.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 20, 2011, on our consideration of Lake Tenkiller Association, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 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 conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Robert St. Pierre, C.P.A., P.C.
July 20, 2011

FINANCIAL

SECTION

LAKE TENKILLER ASSOCIATION, INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - CASH BASIS
June 30, 2010 and 2011

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash	\$ 18,329	\$ 25,132
Money Manager	<u>32,016</u>	<u>22,112</u>
TOTAL ASSETS	<u>50,345</u>	<u>47,244</u>
LIABILITIES AND NET ASSETS		
NET ASSETS		
Unrestricted Net Assets	<u>50,345</u>	<u>47,244</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 50,345</u>	<u>\$ 47,244</u>

**LAKE TENKILLER ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET ASSETS - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2010 AND 2011**

	2011	2010
REVENUE AND SUPPORT		
State Matching	\$ 60,151	\$ 61,866
Advertising Sales	84,166	77,965
Co-op Media Advertising	19,363	11,973
Special Event Revenue	17,475	12,322
Membership Dues	3,440	1,415
Miscellaneous Income	1,130	687
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TOTAL REVENUE AND SUPPORT	185,725	166,228
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EXPENSES		
Administrative Expense	28,232	28,334
Administrative Matched	12,030	10,500
Media Advertising	26,670	33,798
Literature Distribution	19,254	19,175
Print Production	64,466	64,653
Travel Shows	5,940	6,602
Special Events	26,032	16,796
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TOTAL OPERATING EXPENSES	182,624	179,858
	<hr/>	<hr/>
INCREASE IN UNRESTRICTED NET ASSETS	3,101	(13,630)
	<hr/>	<hr/>
NET ASSETS BEGINNING OF PERIOD	47,244	60,874
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NET ASSETS END OF THE PERIOD	\$ 50,345	\$ 47,244
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FINANCIAL

STATEMENT

NOTES

**LAKE TENKILLER ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS**

NOTE A: NATURE OF THE ORGANIZATION

Lake Tenkiller Association, Inc. was organized in 1978 to aid in marketing and developing the full potential of the Lake Tenkiller area through the promotion of tourism.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Lake Tenkiller Association, Inc., included in the financial statements conform to FASB SFAS No. 117 – Cash Basis. The following represent the more significant accounting policies and practices of the association:

1. BASIS OF ACCOUNTING

The financial statements of Lake Tenkiller Association, Inc. are presented under the cash basis of accounting as requested by the regulatory agency. Revenues are recognized when received rather than when earned and expenses are recorded when paid rather than when incurred, with the exception of loans which are recorded as a liability when incurred.

2. CASH AND CASH EQUIVALENTS

The association considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

3. PROPERTY AND EQUIPMENT

All equipment has been expensed, and at the date of the statement of financial position the association did not own any land, buildings or property.

4. INCOME TAXES

Lake Tenkiller Association, Inc., is a non-profit organization under section 501 (C) (6) of the Internal Revenue Code.

5. GRANT

Lake Tenkiller Association, Inc. received grant funds from the Oklahoma Tourism and Recreation Department in the amount of \$60,151 for FY 2011. The Oklahoma Tourism and Recreation Department reimburse expenses to the association for tourism, promotion and administrative functions.

NOTE C: CASH IN BANK

As of June 30, 2010 and 2011 cash in bank consisted of the following:

	2011	2010
Armstrong Bank Operating Account	18,329	25,132
Armstrong Bank Money Manager	<u>32,016</u>	<u>22,112</u>
TOTAL CASH ON HAND	<u><u>50,345</u></u>	<u><u>47,244</u></u>

All deposits were FDIC insured.

NOTE D: MANAGEMENTS USE OF ESTIMATES

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

NOTE E: COMMITMENTS AND CONTINGENCIES

Lake Tenkiller Association, Inc., currently contracts with the Oklahoma Tourism and Recreation Department to provide services on a fee-for-service arrangement. This program is subject to audit by the contracting agency or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for services disallowed under the terms of the contract. Presently Lake Tenkiller Association, Inc., has no such requests pending, and in the opinion of management, any such amounts would not be considered material.

Lake Tenkiller Association, Inc. receives substantially all its revenues from the Oklahoma Tourism and Recreation Department. In the event this agency discontinues support under this contract, the association's net assets could be materially affected.

SUPPLEMENTARY

SCHEDULES

LAKE TENKILLER ASSOCIATION, INC.
SCHEDULE OF REVENUES AND EXPENDITURES BY SOURCE
FOR THE YEAR ENDED JUNE 30, 2011

	2011 TOTAL	ALLOWABLE STATE	DISCRETIONARY OTHER
REVENUES			
State Matching	60,151	60,151	-
Advertising Sales	84,166	-	84,166
Co-op Media Advertising	19,363	-	19,363
Special Event Revenue	17,475	-	17,475
Membership Dues	3,440	-	3,440
Activities Other	1,130	-	1,130
TOTAL REVENUES	185,725	60,151	125,574
EXPENDITURES			
Administrative	40,262	12,030	28,232
Promotional	116,329	48,121	68,208
Total Promotional & Administrative	156,591	60,151	96,440
Other:			
Activities	26,033	-	26,033
Interest	-	-	-
Other	-	-	-
Total Other	26,033	-	26,033
TOTAL EXPENDITURES	182,624	60,151	122,473
Excess Revenues over (under) Expenditures	3,101	-	3,101

ROBERT ST. PIERRE C.P.A., P.C.

Certified Public Accountant

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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
Lake Tenkiller Association, Inc.
Cookson, OK 74427

We have audited the financial statements of Lake Tenkiller Association, Inc., Cookson, Oklahoma (a non-profit organization), as of and for the year ended June 30, 2010 and 2011, and have issued our report thereon dated July 20, 2011. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lake Tenkiller Association, Inc.'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 Lake Tenkiller's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organization'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 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.

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. However, as discussed in the next paragraph below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

The inherent limitation resulting from one employee performing functions that would normally be divided among several employees, if a larger number were available, presents a proper segregation of accounting functions which is necessary in order to assure adequate internal accounting controls.

Compliance

As part of obtaining reasonable assurance about whether Lake Tenkiller Association, Inc.'s financial statements are free of material misstatement, we performed tests 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 or other matters that are required to be reported under *Government Auditing Standards*.

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



Robert St. Pierre, C.P.A., P.C.
July 20, 2011

LAKE TENKILLER ASSOCIATION, INC.
SCHEDULE OF STATE AWARDS
June 30, 2011

<u>State Grantor/ Program Title</u>	<u>Contract Period</u>	<u>Contract Amount</u>	<u>Cash/Accrued or (Deferred)Revenue at 7/01/10</u>	<u>Receipts Recognized 6/30/2011</u>	<u>Disbursements/ Expenditures</u>	<u>Cash/Accrued (Deferred)Revenue at 6/30/2011</u>
OK Dept. of Tourism and Recreation						
Contract /OK Lakes & Counties Associations (Multicounty Organizations State Appropriated Funds	7/1/2010 6/30/2011	60,151	-	60,151	60,151	-
Total State Financial Assistance		60,151	-	60,151	60,151	-