
OKLAHOMA'S RED CARPET COUNTRY, INC.

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

OKLAHOMA'S RED CARPET COUNTRY, INC.
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2011

	Page
INTRODUCTORY SECTION:	
Table of Contents	i
FINANCIAL SECTION:	
Independent Auditor's Report	1
Statement of Assets, Liabilities, and Net Assets – Cash Basis	2
Statement of Revenues, Expenses, and Changes in Net Assets – Cash Basis	3
Notes to Financial Statements	4-5
SUPPLEMENTAL INFORMATION:	
Title Page	6
Schedule of Administrative and Promotional Expenses	7
Schedule of Advertisers – Unaudited	8
GOVERNMENT AUDITING STANDARDS INFORMATION:	
Title Page	9
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10

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Independent Auditor's Report

Board of Directors
Oklahoma's Red Carpet Country, Inc.

We have audited the accompanying statement of assets, liabilities, and net assets – cash basis of Oklahoma's Red Carpet Country, Inc., (a non-profit corporation) as of June 30, 2011 and the related statement of revenue and expenses and changes in net assets – cash basis for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion of 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 *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 general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Corporation prepares its financial statements on the basis of cash receipts and disbursements. This basis 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 financial position of Oklahoma's Red Carpet Country, Inc. as of June 30, 2011, and its revenue, expenses, and changes in net assets 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 2, 2012 on our consideration of Oklahoma's Red Carpet Country Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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 read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the above financial statements. Such information, except for the portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements, and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



Kimberlye R. Mayer, CPA, P.C.
Blackwell, Oklahoma
January 2, 2012

OKLAHOMA'S RED CARPET COUNTRY, INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS
CASH BASIS
JUNE 30, 2011

ASSETS

Petty Cash	\$
Cash in bank	<u>6,903</u>
Total Assets	<u>\$ 6,903</u>

LIABILITIES AND NET ASSETS

Liabilities	\$
Net Assets:	
Unrestricted	<u>6,903</u>
Total Liabilities and Net Assets	<u>\$ 6,903</u>

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

OKLAHOMA'S RED CARPET COUNTRY, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
CASH BASIS
YEAR ENDED JUNE 30, 2011

Revenues:	
State matching funds (Note 2)	\$ 52,403
Membership dues	4,800
Advertising sales - Vacation Guides	49,318
Tourism conference	1,270
Events guide	3,945
State travel guide	13,750
Subscriptions - Oklahoma Today	300
Brochures	4,336
Advertisements and promotion	31,444
Miscellaneous income	4
Total Revenues	<u>161,570</u>
Expenses:	
Administrative:	
Allowable	8,763
Discretionary	<u>32,880</u>
Total Administrative	41,643
Promotional:	
Allowable	43,640
Discretionary	<u>80,887</u>
Total Promotional	<u>124,527</u>
Total Expenses	<u>166,170</u>
Revenues over (under) expenses	(4,600)
Net Assets, beginning of year	<u>11,503</u>
Net Assets, end of year	<u><u>\$ 6,903</u></u>

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

OKLAHOMA'S RED CARPET COUNTRY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Organization

Oklahoma's Red Carpet County, Inc. is a non-profit organization established to promote Oklahoma's Red Carpet Country; to support its local communities and coordinate their efforts; and to work with other organizations similar to itself in promotion of the State of Oklahoma. Membership is encouraged for anyone located in its region for an annual membership fee. Oklahoma's Red Carpet Country is a sixteen county region in the northwest section of the state. The Corporation is exempt from federal and state income taxes as a 501(c)(6) organization.

Basis of Accounting

The Corporation maintains its records on the basis of cash receipts and disbursements. Under the cash basis, revenues are recognized when received, rather than earned, and expenses are recognized when paid rather than when incurred.

Property and Equipment

Purchases of and capital lease payments on property and equipment are recorded as expenses in the year of disbursement.

Cash and Cash Equivalents

The Corporation considers all deposit accounts with a maturity of three months or less to be cash equivalents.

NOTE 2 – STATE MATCHING FUNDS:

The Oklahoma State Legislature appropriates funds which are available to multi-county organizations through the Oklahoma Tourism and Recreation Department. Oklahoma's Red Carpet Country, on an annual basis, contractually agrees to assist the Department in the promotion of tourism. The Department allocates funds to match allowable expenditures made by Oklahoma's Red Carpet Country. Allowable expenditures are promotional and administrative expenses which comply with contract guidelines. Matching funds to be paid each fiscal year by the Department are limited by the contract. Oklahoma's Red Carpet County files reports and supporting documentation with the Department to prove its adherence with the contract. Upon the Department's approval of these reports, the matching funds are paid to Oklahoma's Red Carpet County.

State matching funds allocated to the fiscal year ended June 30, 2011 were \$52,403. Of these funds, \$52,403 were received during the year ended June 30, 2011.

OKLAHOMA'S RED CARPET COUNTRY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011

NOTE 3 – MANAGED COOPERATIVE ADVERTISING:

In an effort to meet its goals of tourism marketing and promotions into the Red Carpet region, Oklahoma's Red Carpet Country, Inc. maintained a managed cooperative advertising program during the year ended June 30, 2011.

This program involved the coordination, management, and implementation of advertising and production costs by the Oklahoma's Red Carpet Country, Inc.'s staff and volunteers. Oklahoma's Red Carpet Country, Inc. arranged for cooperative advertising/production services and made them available to its members at a discounted rate.

NOTE 4 – ESTIMATES:

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 5 – CONTINGENCIES:

Grant expenditures are subject to financial and compliance audits by the grantor agencies or their representatives. Such audits could lead to requests for reimbursements to the grantor agency for expenditures that are disallowed under the terms of the grant. The Corporation believes that the amount for expenditures that could be disallowed by the grantor agencies, if any, would not be significant.

NOTE 6 – EVALUATION OF SUBSEQUENT EVENTS:

The Corporation has evaluated subsequent events through January 2, 2012, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

OKLAHOMA'S RED CARPET COUNTRY, INC.
SCHEDULE OF ADMINISTRATIVE AND PROMOTIONAL EXPENSES
YEAR ENDED JUNE 30, 2011

	<u>Allowable</u>	<u>Discretionary</u>
Administrative Expenses:		
Personnel costs	\$ 8,114	\$ 24,272
Office rent and storage	100	1,520
Office supplies	20	1,069
Telephone	392	1,105
Postage		385
Professional fees		1,585
Travel		371
Dues and Subscriptions	137	545
Interest		694
Insurance		450
Miscellaneous		884
Total Administrative Expenses	\$ 8,763	\$ 32,880

	<u>Allowable</u>	<u>Discretionary</u>
Promotional Expenses:		
Travel show exhibitions	\$ 1,149	\$ 8,556
Literature distribution	1,646	12,274
Photo contest		540
Print Production:		
Tourism magazines	20,584	12,676
Events guide		3,368
Brochures		663
Billboards		2,500
Cooperative advertising (Note 3):		
Media advertisement	625	2,380
Brochure production	3,414	1,974
Billboard production		2,792
Media Advertising:		
Newspaper		1,136
Magazine	15,022	28,961
Promotional items		
Website		1,995
Conferences:		
Governor's conference	1,200	268
Tourism conference		804
Total Promotional Expenses	\$ 43,640	\$ 80,887

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

OKLAHOMA'S RED CARPET COUNTRY, INC.
SCHEDULE OF ADVERTISERS
YEAR ENDED JUNE 30, 2011

VACATION GUIDE SALES:

Alva, OK:		Quinlan, OK:	
Chamber of Commerce, 502 OK Blvd	2,250	Hanks RV Park, Central & 1st	50
Aline, OK:		Perry, OK:	
Sod House Museum	675	Chamber of Commerce	1,260
Boise City, OK:		Ponca City, OK:	
Cimmaron Heritage Center, Hwy 287	360	Kaw Lake Association, Box 1933	5,265
Buffalo, OK:		Ponca City Tourism, Box 1450	2,350
Chamber of Commerce, Box 521	675	Shattuck, OK:	
Canton, OK:		Chamber of Commerce, PO Box 400	1,400
Chamber of Commerce, Box 307	750	Cherokee, OK:	
Lake Corp of Engineers, Box 69	750	Main Street, 121 E Main	360
Lake Walleye Rodeo Assoc., Box 74	750	Paint Stains,	50
Enid, OK:		Vici, OK:	
Cherokee Strip Reg Heritage Ctr, 507 S 4th St	2,115	Western OK River Road Run, PO Box 217	360
Chisholm Trail Expo Center, 111 W Purdue	10	Watonga, OK:	
Mennonite Relief Site, 323 Timberwood	360	Watonga Motel, 307 S Wikoff	721
City of Enid, 123 W Main	2,115	Watonga Chamber of Commerce, Box 537	1,260
Main Street, Box 3001	1,760	Waynoka, OK:	
Fairview, OK:		Chamber of Commerce, Box 173	8,460
Chamber of Commerce, PO Box 180	2,115	Woodward, OK:	
Heritage Inn, PO Box 382	360	City of Woodward, 1222 10th St	823
Plymouth Valley Vineyard, SE of City	360	Crystal Christmas, Box 1026	675
Guymon, OK		K101 Classic Bowl	675
City of Guymon, 219 NW 4th	2,115	Leedey, OK:	
Hennessey, OK:		Town of Leedey	1,379
Hennessey 2010, 427 N Cheyenne	675	Leedey Ranch Lodge, 901 S Dewey	36
Mooreland, OK:		Red Bluff Inn, Hwy 47 South	36
Mooreland Café, 401 SW 6th	50	Bank of the West	360
Kenton, OK:		Leedey Lumber, Box 156	360
Black Mesa Bed & Breakfast, PO Box 81	360	Bison Short Stop	360
Hitching Post BB, HCR 1 Box 4	200	Leedey Chamber of Commerce	1,125
Kingfisher, OK:		Xtreme Ice,	281
Chamber of Commerce, 123 W Miles	360	Wild West Insurance, 501 S Main	281
Chisholm Trail Museum, 605 Zellars	675	Leedey Grain, 704 S Main	<u>281</u>
Kingfisher In Lights, 123 W. Miles	360		
Freedom, OK:			
Cedar Canyon Lodge, 216872 State Hwy 50	50		
Sage & Saddle BB, 25836 State Hwy 50	180		
Wakita, OK:			
Twister Museum, Box 285	680	Total	<u>\$ 49,318</u>

SUPPLEMENTAL REPORT
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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*

Board of Directors
Oklahoma's Red Carpet Country, Inc.

We have audited the financial statements of the Oklahoma's Red Carpet Country, Inc. as of and for the year ended June 30, 2011, and have issued our report thereon dated January 2, 2012. 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. The financial statements were prepared using the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Oklahoma's Red Carpet Country, 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 Oklahoma's Red Carpet Country, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Oklahoma's Red Carpet Country, Inc.'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 combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Oklahoma's Red Carpet Country, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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, the board of directors, others within the organization, and all applicable federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Kimberlye R. Mayer, CPA, P.C.
Blackwell, Oklahoma
January 2, 2012