

**ASSOCIATION OF CENTRAL
OKLAHOMA GOVERNMENTS**

**Basic Financial Statements,
Supplemental Information and Independent
Auditors' Reports for the Year Ended
June 30, 2012, Independent Auditors' Reports
Issued Under OMB Circular A-133, and
Supplemental Schedule of Expenditures of
Federal Awards for the Year Ended June 30, 2012**

Association of Central Oklahoma Governments
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Association of Central Oklahoma Governments

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Association of Central Oklahoma Governments ("ACOG") as of and for the year ended June 30, 2012, which collectively comprise the ACOG's basic financial statements as listed in the table of contents. These financial statements are the responsibility of ACOG's management. Our responsibility is to express opinions 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 *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 basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of ACOG as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2012, on our consideration of ACOG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial

statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the ACOG's basic financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of ACOG. The other supplemental information is the responsibility of management and was derived from and relate 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 basic 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.



Edmond, Oklahoma
October 8, 2012



association of central oklahoma governments

Chair Willa Johnson
Oklahoma County Commissioner

Vice-Chair Elizabeth Waner
Edmond Councilmember

Secretary/Treasurer Pete White
Oklahoma City Councilmember

Executive Director
John G. Johnson

Management's Discussion and Analysis (Unaudited)

As management of the Association of Central Oklahoma Governments (ACOG), we offer readers of ACOG's financial statements this narrative overview and analysis of the financial activities of ACOG for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at ACOG's financial performance as a whole. Readers are encouraged to consider information presented here as well as the financial statements and notes to enhance their understanding of ACOG's financial performance.

Financial Highlights

Government-wide:

- The assets of ACOG exceeded its liabilities at the close of the most recent fiscal year by \$1,613,131 (*net assets*). Of this amount, \$1,266,945 (*unrestricted net assets*) may be used to meet ACOG's ongoing obligations to the member local governments and creditors.
- ACOG's total net assets increased by \$245,675. This increase is primarily due to vacancies and changes in staff that resulted in decreased salaries and benefits costs. The group health insurance policy renewal came in with a decrease in rates and there was a decrease in utilization by staff of ACOG's group health deductible reimbursement plan. ACOG also continued to maintain a fiscally conservative budget and benefited from reduced costs.

Fund Level:

- At the close of the current fiscal year, ACOG's governmental funds reported combined ending fund balances of \$1,641,928, an increase of \$285,924 in comparison with the prior year. Approximately 82.9 percent of this amount, \$1,360,944 is *available for spending* at ACOG's discretion (*combined assigned and unassigned fund balances*) although the ACOG Board of Directors has *assigned* \$90,817 for future office expenditures, \$50,924 for transportation program expenditures, \$3,436 for CIP program expenditures, \$2,483 for CDBG/REAP program expenditures and \$23,896 for water resources program expenditures.
- At the end of the fiscal year, the unrestricted fund balance, including the assigned and unassigned balances, of the general fund was \$1,280,205 or 27.3 percent of total governmental fund expenditures while the unassigned fund balance was \$1,189,388, or 25.4 percent of total governmental fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to ACOG's basic financial statements. ACOG's basic financial statements comprise three components: 1)

government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of ACOG's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of ACOG's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of ACOG is improving or deteriorating.

The *statement of activities* presents information showing how ACOG's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements include functions of ACOG that are principally supported by grants and membership dues (*governmental activities*). ACOG has no functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*) and has no component units.

The government-wide financial statements can be found on pages 12 - 13 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. ACOG, like other similar governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of ACOG's funds can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

ACOG maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for each fund, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 14 - 18 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside ACOG. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support ACOG's own programs. ACOG has one fiduciary fund that is an agency fund established to account for Wireless 9-1-1 fees collected and remitted as required by State law. The basic fiduciary fund financial statement can be found on page 19 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 - 33 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *other supplementary information*. Although not legally required to do so, ACOG does adopt an annual budget for its funds. Budgetary comparison schedules have been provided for each fund to demonstrate compliance with this budget and are presented on pages 34 – 39 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of ACOG, assets exceeded liabilities by \$1,613,131 at June 30, 2012, as compared with assets exceeding liabilities by \$1,367,456 at June 30, 2011. A portion (4.0 percent) of ACOG's net assets reflect its investment in capital assets (equipment, computers and software), less any related debt used to acquire those assets that is still outstanding. ACOG uses these capital assets to operate and to provide services; consequently, these assets are *not* available for future spending. Although ACOG's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Assets compared to the prior year.

Association of Central Oklahoma Governments' Net Assets

	Governmental Activities		Total Percentage Change
	2012	2011	
Current and other assets	\$ 2,766,463	\$ 2,401,413	15.2%
Capital assets	76,586	106,107	-27.8%
Total assets	2,843,049	2,507,520	13.4%
Long-term debt outstanding	11,384	8,368	36.0%
Other liabilities	1,218,534	1,131,696	7.7%
Total liabilities	1,229,918	1,140,064	7.9%
Net assets			
Invested in capital assets, net of related debt	65,202	97,739	-33.3%
Restricted	280,984	259,281	8.4%
Unrestricted	1,266,945	1,010,436	25.4%
Total net assets	\$ 1,613,131	\$ 1,367,456	18.0%

An additional portion of ACOG's net assets (17.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$1,266,945) may be used to meet ACOG's ongoing obligations.

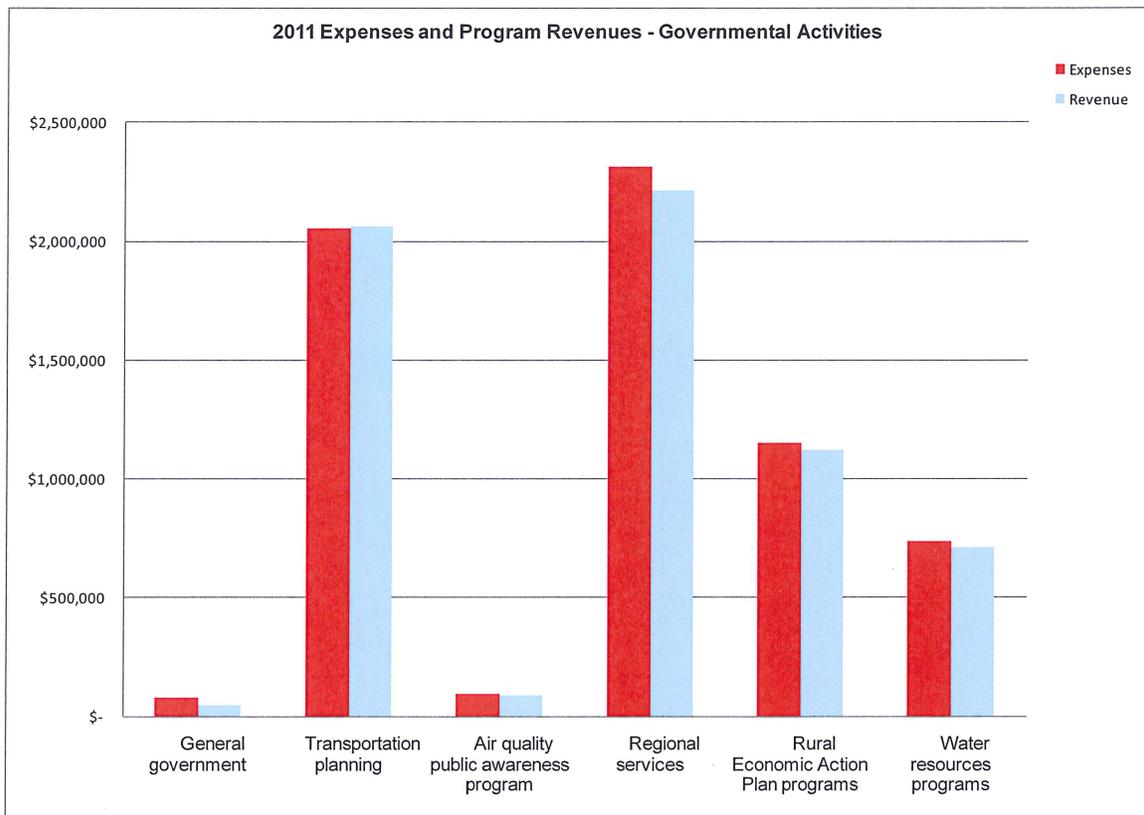
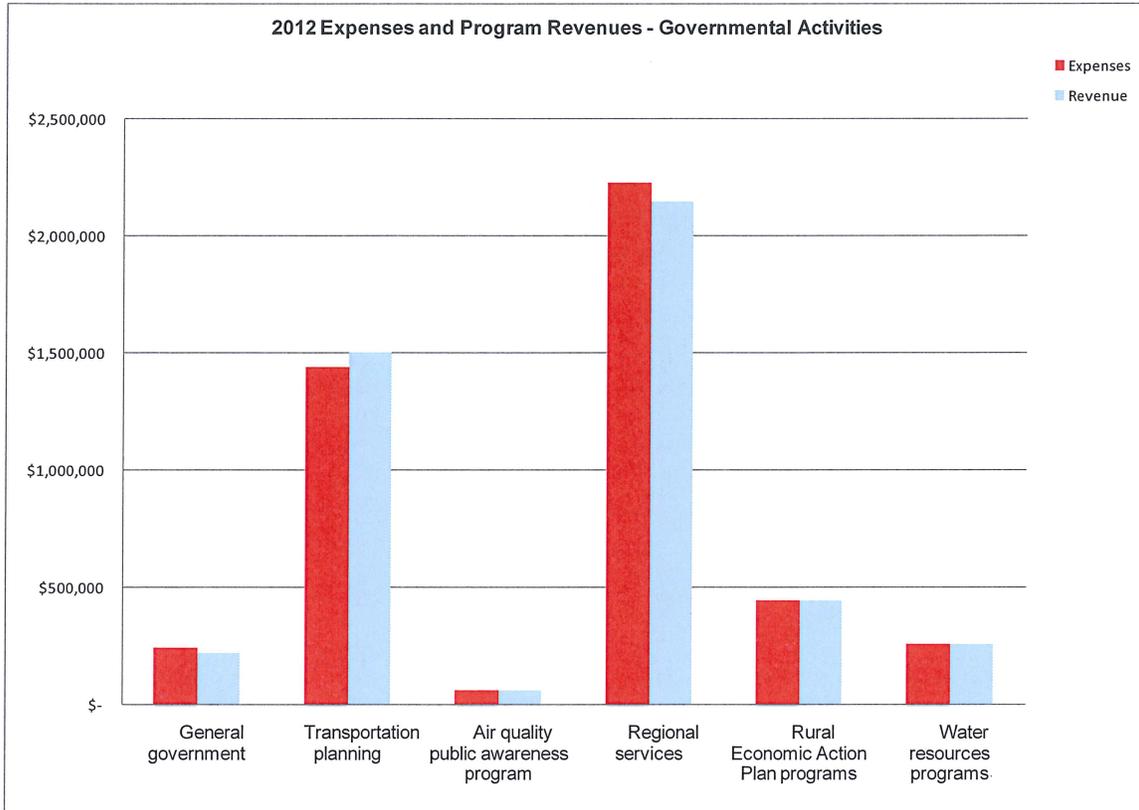
At the end of the current fiscal year, ACOG is able to report a positive balance in all categories of net assets. The same situation held true for the prior fiscal year.

ACOG's total net assets, all from governmental activities, increased by \$245,675 during the current fiscal year. The following table reflects the condensed changes in net assets from the prior year.

Association of Central Oklahoma Governments Changes in Net Assets

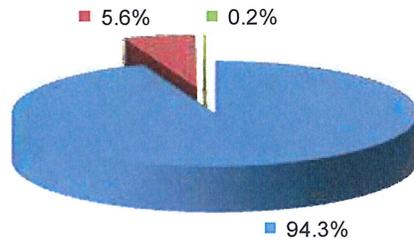
	Governmental Activities		Total Percentage Change
	2012	2011	
Revenues			
Program revenues			
Operating grants and contributions	\$ 4,640,945	\$ 6,252,342	-25.8%
General revenues			
Membership dues - basic	274,096	289,612	-5.4%
Other income	8,302	4,685	77.2%
Total revenues	4,923,343	6,546,639	-24.8%
Expenses			
General government	243,570	74,685	226.1%
Transportation planning	1,438,414	2,052,516	-29.9%
Air quality public awareness program	63,409	90,293	-29.8%
Regional services	2,228,847	2,310,813	-3.5%
Rural Economic Action Plan programs	444,806	1,148,820	-61.3%
Water resources programs	258,622	731,866	-64.7%
Total expenses	4,677,668	6,408,993	-27.0%
Increase (decrease) in net assets	\$ 245,675	\$ 137,646	78.5%
Net Assets, July 1	1,367,456	1,229,810	11.2%
Net Assets, June 30	\$ 1,613,131	\$ 1,367,456	18.0%

The \$245,675 increase in net assets is primarily due to vacancies and changes in staff that resulted in decreased salaries and benefits costs. The group health insurance policy renewal came in with a decrease in rates and there was a decrease in utilization by staff of ACOG's group health deductible reimbursement plan. ACOG also continued to maintain a fiscally conservative budget and benefited from reduced costs.



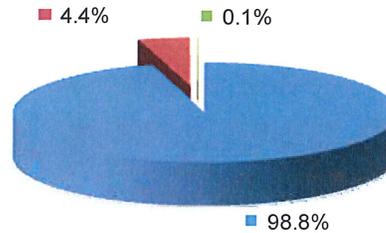
2012 Revenues by Source - Governmental Activities

- Operating grants and contributions
- Membership dues - basic
- Other income



2011 Revenues by Source - Governmental Activities

- Operating grants and contributions
- Membership dues - basic
- Other income



ACOG operates primarily from grant revenues. For the most part, increases in expenses closely parallel inflation and increases in grant funding for services.

Financial Analysis of the Government's Funds

As noted earlier, ACOG uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of ACOG's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing ACOG's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, ACOG's governmental funds reported combined ending fund balances of \$1,641,928, a net increase of \$285,924 in comparison with the prior year. Approximately 72.5 percent of this total amount (\$1,189,388) constitutes *unassigned fund balance*, which is available for spending at ACOG's discretion. Approximately 10.4 percent (\$171,556) has been *assigned*. *Assignments* reflect the ACOG Board of Directors' self-imposed limitations on the use of otherwise available current financial resources and are subject to change. \$90,817 has been *assigned* for future office expenditures, \$50,924 for Transportation program expenditures, \$5,919 for Intergovernmental services programs expenditures and \$23,896 for Water resources program expenditures. The remainder of fund balance is not available for new spending because approximately 10.6 percent (\$174,056) is *restricted* per grant and contractual agreements while approximately 6.5 percent (\$106,928) is *unspendable* because it consists of prepaid items.

The fund balance of ACOG's general fund increased by \$208,750 during the current fiscal year. This increase is primarily due to vacancies and changes in staff that resulted in decreased salaries and benefits costs. The group health insurance policy renewal came in with a decrease in rates and there was a decrease in utilization by staff of

ACOG's group health deductible reimbursement plan. ACOG also continued to maintain a fiscally conservative budget and benefited from reduced costs.

The general fund is the chief operating fund of ACOG. All of ACOG's positive *unassigned fund balance* resides in the general fund.

General Fund Budgetary Highlights

Due to time constraints and the fact that ACOG is not legally required to adopt a budget for its funds, there was no budget amendment for the fiscal year ended June 30, 2012. The differences between the budget and the actual amounts are due to timing differences with the Central Oklahoma Alliance of Government Agencies project – Oklahoma City only (COAGA-OKC) and to ACOG maintaining a fiscally conservative budget while benefiting from reduced costs. The major differences can be summarized as follows:

- Membership dues – basic were \$3,929 less than budgeted. Of this negative variance, \$2,619 resulted from unpaid dues written off while the remaining \$1,310 was used to cover some program costs not covered by grants and other contributions.
- Contract revenue was \$201,115 less than budgeted and other expenditures were \$204,145 less than budgeted primarily due to the COAGA-OKC project progressing slower than anticipated.
- Contractual expenditures were \$5,000 less than budgeted due to ACOG not using a consultant on local projects.
- Capital outlay expenditures were \$35,219 less than budgeted due to the deferral of the procurement of information technology equipment.
- Other financing source capital lease proceeds was \$10,781 more than budgeted since the budget anticipated the copier replacement to be an operating lease.
- Other financing source contributions to indirect cost was \$10,920 more than budgeted due to ACOG maintaining a fiscally conservative budget while benefiting from reduced costs.

Capital Asset and Long-Term Debt Administration

Capital assets. ACOG's investment in capital assets for its governmental type activities as of June 30, 2012, amounts to \$76,586 (net of accumulated depreciation). This investment in capital assets includes computers and software, leased equipment, and equipment. The total decrease in ACOG's investment in capital assets for the current fiscal year was \$29,521 or 27.8 percent.

The major capital asset events during the current fiscal year included the following:

- ACOG disposed of a fully depreciated plotter.
- ACOG acquired a new color copier for \$10,781 using proceeds from a capital lease.

Association of Central Oklahoma Governments' Capital Assets
(net of depreciation)

	Governmental Activities		Total
	2012	2011	Percentage Change
Computers and software	\$ 9,652	\$ 27,158	-64.5%
Leased equipment	17,410	11,391	52.8%
Equipment	49,524	67,558	-26.7%
Total	\$ 76,586	\$ 106,107	-27.8%

Additional information on ACOG's capital assets can be found in Note II.C. on pages 27 - 28 of this report.

Long-term debt. ACOG's only debt is the \$11,384 balance due on capital leases that financed the acquisition of copiers. ACOG's long-term capital lease balance increased 36.0% percent during the current fiscal.

Association of Central Oklahoma Governments' Outstanding Debt

	Governmental Activities		Total
	2012	2011	Percentage Change
Capital lease	\$ 11,384	\$ 8,368	36.0%

Economic Factors and Next Year's Budget

The ACOG approved fiscal year 2013 budget reflects both increased costs and revenue for its administrative contract with the 9-1-1 Association of Central Oklahoma Governments (9-1-1 ACOG). On April 26, 2012, the 9-1-1 ACOG Board of Directors adopted the recommendations of a consultant concerning future system maintenance and network administration of the 9-1-1 answering system. The implementation of these recommendations begins in fiscal year 2013. ACOG again prepared a fiscally conservative budget. In order to match grants, cover costs, and maintain an adequate fund balance, it was necessary to increase total member dues by 6.8% for fiscal year 2012. Adjustments were made to each dues category to more closely match the related expenditures so transportation dues, which had increased in fiscal year 2012, decreased for fiscal year 2013 while both basic member dues and water dues increased.

Requests for Information

This financial report is designed to provide a general overview of ACOG's finances for all those with an interest in ACOG's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Finance, Association of Central Oklahoma Governments, 21 E. Main Street, Suite 100, Oklahoma City, OK 73104-2405.

Association of Central Oklahoma Governments
Statement of Net Assets
June 30, 2012

	Total Primary Government Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,782,333
Receivables	777,273
Investments	99,929
Prepaid items	106,928
Capital assets:	
Equipment, furnishings & fixtures	286,701
Accumulated depreciation & amortization	(210,115)
Total capital assets	76,586
Total assets	2,843,049
LIABILITIES	
Accounts payable and other current liabilities	337,821
Deferred revenue	775,660
Compensated absences due within one year	105,053
Long- term capital lease	
Due within one year	5,416
Due in more than one year	5,968
Total liabilities	1,229,918
NET ASSETS	
Invested in capital assets, net of related debt	65,202
Restricted for:	
General government	59,443
Transportation planning	25,341
Regional services	121,480
Rural Economic Action Plan programs	73,720
Water resources programs	1,000
Unrestricted	1,266,945
Total net assets	\$ 1,613,131

The notes to the financial statements are an integral part of this statement.

Association of Central Oklahoma Governments
Statement of Activities
For the Year Ended June 30, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets Total Primary Government Governmental Activities</u>
Primary government			
Governmental activities:			
General government	\$ 243,570	\$ 219,925	\$ (23,645)
Transportation planning	1,438,414	1,501,892	63,478
Air quality public awareness program	63,409	63,409	-
Regional services	2,228,847	2,150,681	(78,166)
Rural Economic Action Plan programs	444,806	443,936	(870)
Water resources programs	258,622	261,102	2,480
Total primary government	<u>\$ 4,677,668</u>	<u>\$ 4,640,945</u>	<u>(36,723)</u>
General revenues:			
Membership dues - basic			274,096
Other income			8,302
Total general revenues			<u>282,398</u>
Change in net assets			245,675
Net assets - beginning			<u>1,367,456</u>
Net assets - ending			<u>\$ 1,613,131</u>

The notes to the financial statements are an integral part of this statement.

Association of Central Oklahoma Governments
Balance Sheet
Governmental Funds
June 30, 2012

	<u>General</u>	<u>Transportation</u>	<u>Intergovernmental Services</u>
ASSETS			
Cash and cash equivalents	\$ 799,466	\$ 99,149	\$ 826,598
Investments	-	-	99,929
Receivables	39,914	484,730	56,846
Due from other funds	487,841	-	-
Prepaid items	59,443	25,341	2,932
Total assets	<u>\$ 1,386,664</u>	<u>\$ 609,220</u>	<u>\$ 986,305</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 47,016	\$ 283,612	\$ 173
Due to other funds	-	227,966	48,704
Deferred revenue	-	21,377	765,337
Total liabilities	<u>47,016</u>	<u>532,955</u>	<u>814,214</u>
Fund Balances:			
Nonspendable	59,443	25,341	2,932
Restricted	-	-	163,240
Assigned	90,817	50,924	5,919
Unassigned	1,189,388	-	-
Total fund balances	<u>1,339,648</u>	<u>76,265</u>	<u>172,091</u>
Total liabilities and fund balances	<u>\$ 1,386,664</u>	<u>\$ 609,220</u>	<u>\$ 986,305</u>

The notes to the financial statements are an integral part of this statement.

<u>E9-1-1 & Public Safety</u>	<u>Water Resources</u>	<u>Total Governmental Funds</u>
\$ 32,152	\$ 24,968	\$ 1,782,333
-	-	99,929
170,172	25,611	777,273
-	-	487,841
18,212	1,000	106,928
<u>\$ 220,536</u>	<u>\$ 51,579</u>	<u>\$ 3,254,304</u>
\$ 3,124	\$ 3,896	\$ 337,821
188,384	22,787	487,841
-	-	786,714
<u>191,508</u>	<u>26,683</u>	<u>1,612,376</u>
18,212	1,000	106,928
10,816	-	174,056
-	23,896	171,556
-	-	1,189,388
<u>29,028</u>	<u>24,896</u>	<u>1,641,928</u>
<u>\$ 220,536</u>	<u>\$ 51,579</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	76,586
Compensated absences of governmental activities are not financial resources and therefore are not reported in the funds.	(105,053)
Deferred revenue reported as a liability in the funds because it is unavailable is not a liability in the statement of net assets.	11,054
Long-term capital lease payable is not due and payable in the current period and therefore is not reported as a liability in the funds.	(11,384)
Net assets of governmental activities	<u>\$ 1,613,131</u>

Association of Central Oklahoma Governments
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	<u>General</u>	<u>Transportation</u>	<u>Intergovernmental Services</u>
REVENUES			
Federal grants	\$ -	\$ 1,786,677	\$ 119,946
State appropriations	-	-	475,857
Contract revenue	219,925	-	-
Membership dues - transportation	-	128,117	-
Membership dues - water resources	-	-	-
Membership dues - basic	190,103	-	83,993
In-kind matching contributions	-	346,506	3,144
Other	8,302	12,908	174,699
Total revenues	<u>418,330</u>	<u>2,274,208</u>	<u>857,639</u>
EXPENDITURES			
Current:			
General government	243,570	-	-
Transportation planning	-	1,438,414	-
Air quality public awareness program	-	63,409	-
Regional services	-	708,908	417,289
Rural Economic Action Plan programs	-	-	444,806
Water resources programs	-	-	-
Capital outlay	10,781	-	-
Debt service	7,765	-	-
Total expenditures	<u>262,116</u>	<u>2,210,731</u>	<u>862,095</u>
Excess (deficiency) of revenues over expenditures	<u>156,214</u>	<u>63,477</u>	<u>(4,456)</u>
OTHER FINANCING SOURCES (USES)			
Capital lease proceeds	10,781	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Contributions to indirect cost	41,755	-	-
Total other financing sources & uses	<u>52,536</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>208,750</u>	<u>63,477</u>	<u>(4,456)</u>
Fund balances-beginning	<u>1,130,898</u>	<u>12,788</u>	<u>176,547</u>
Fund balances-ending	<u>\$ 1,339,648</u>	<u>\$ 76,265</u>	<u>\$ 172,091</u>

The notes to the financial statements are an integral part of this statement.

E9-1-1 & Public Safety	Water Resources	Total Governmental Funds
\$ -	\$ 38,342	\$ 1,944,965
-	-	475,857
1,101,708	90,954	1,412,587
-	-	128,117
-	131,806	131,806
-	-	274,096
-	-	349,650
2,655	-	198,564
<u>1,104,363</u>	<u>261,102</u>	<u>4,915,642</u>
-	-	243,570
-	-	1,438,414
-	-	63,409
1,095,393	-	2,221,590
-	-	444,806
-	251,919	251,919
-	-	10,781
-	-	7,765
<u>1,095,393</u>	<u>251,919</u>	<u>4,682,254</u>
<u>8,970</u>	<u>9,183</u>	<u>233,388</u>
-	-	10,781
-	-	-
-	-	-
-	-	41,755
<u>-</u>	<u>-</u>	<u>52,536</u>
<u>8,970</u>	<u>9,183</u>	<u>285,924</u>
20,058	15,713	1,356,004
<u>\$ 29,028</u>	<u>\$ 24,896</u>	<u>\$ 1,641,928</u>

The notes to the financial statements are an integral part of this statement.

**Association of Central Oklahoma Governments
 Reconciliation of the Statement of Revenues
 Expenditures, and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2012**

Net change in fund balances - total governmental funds \$ 285,924

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays (\$10,781) were exceeded by depreciation (\$40,302) in the current period. (29,521)

Because some grant and contract revenues will not be collected until after certain milestones are met several months after ACOG's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues increased by this amount this year. 7,700

Capital lease proceeds (\$10,781) are reported as a source of financing in the governmental funds but are not a revenue in the statement of activities. (10,781)

Repayment of capital lease principal uses current financial resources and is reported as an expenditure in the governmental funds and reduces the liabilities in the statement of net assets but does not result in an expense in the statement of activities. 7,765

The increase in compensated absences does not require the use of current financial resources and therefore is not reported in governmental funds (15,412)

Change in net assets of governmental activities \$ 245,675

The notes to the financial statements are an integral part of this statement.

Association of Central Oklahoma Governments
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 364,540
Receivables	419,426
Total assets	<u>\$ 783,966</u>
LIABILITIES	
Due to other government entities	\$ 783,966
Total liabilities	<u>\$ 783,966</u>

The notes to the financial statements are an integral part of this statement.

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Association of Central Oklahoma Governments
Notes to the Financial Statements
June 30, 2012

I. Summary of significant accounting policies

A. Reporting entity

The Association of Central Oklahoma Governments (ACOG) is a public agency formed under the authority of Title 74, Oklahoma Statutes, permitting public agencies to enter into agreements with one another for joint or cooperative action. ACOG was established in 1966 to assist local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development and is one of 11 Councils of Governments in the State of Oklahoma. All local governments within the ACOG region of Canadian, Cleveland, Logan and Oklahoma counties are eligible for membership and ACOG currently has 35 member governments. In addition, Tinker Air Force Base maintains an associate membership. ACOG is governed by a Board of Directors that consists of one elected official from each member government. Each entity receives a weighted vote on the Board based on the most recent population estimates. The accompanying financial statements present ACOG's operations. ACOG has no blended or discretely presented component units.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by intergovernmental revenues, grants and membership dues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Basic membership dues and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and the fiduciary fund, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Association of Central Oklahoma Governments
Notes to the Financial Statements
June 30, 2012

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Membership dues are recognized as revenues in the year for which they are due. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Membership dues, grant revenue, contract revenue and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by ACOG.

ACOG reports the following major governmental funds:

The *general fund* is ACOG's primary operating fund. It accounts for all financial resources of ACOG, except those required to be accounted for in another fund.

The *transportation fund* is used to account for the operations within the Transportation and Planning Services Division's work program. The major revenue source is grants from the Federal Highway Administration and the Federal Transit Administration, passed-through the Oklahoma Department of Transportation. Other revenue sources, primarily to cover matching requirements include membership dues, in-kind contributions from members and other agencies as well as other miscellaneous revenue sources.

The *intergovernmental services fund* is used to account for the operations within the Intergovernmental Services Division's work program. The major revenue source is grants and contracts with the U.S. Department of Energy, the U.S. Department of Commerce, the Oklahoma Department of Commerce, and local governmental entities. Other revenue sources include membership dues and other miscellaneous sources.

Association of Central Oklahoma Governments

Notes to the Financial Statements

June 30, 2012

The *E9-1-1 & public safety fund* is used to account for the operations of the E9-1-1 & Public Safety Programs Division's work program. The major revenue source is a contract with the 9-1-1 Association of Central Oklahoma Governments. Other revenue sources include a contract with the City of Oklahoma City and other miscellaneous sources.

The *water resources fund* is used to account for the operations of the Water Resources Division's work program. The major revenue source is contracts with the U.S. Environmental Protection Agency, passed through the Oklahoma Office of the Secretary of Environment, and with local governmental entities. Other revenue sources include membership dues and other miscellaneous sources.

Additionally, ACOG also reports an *agency fund* that is used to account for fiduciary assets held by ACOG in a custodial capacity as an agent on behalf of others. ACOG's agency fund is used to account for wireless 9-1-1 service fees.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, including membership dues specifically for transportation and water programs. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all basic membership dues, general interest and other miscellaneous receipts.

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

ACOG's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

ACOG's investments consist of one U.S. Treasury obligation, which is reported at fair value.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans).

Association of Central Oklahoma Governments

Notes to the Financial Statements

June 30, 2012

3. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital assets

Capital assets, which include equipment, furnishings, fixtures, and assets in progress, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by ACOG as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Computer equipment	3
Office equipment	3 – 7
Vehicles	5
Furniture	7

5. Compensated absences

ACOG's policy allows employees to earn vacation leave as follows:

<u>Years of service</u>	<u>Days earned per year</u>	<u>Maximum accumulation</u>
0.1 - 5.0	12	20
5.1 - 10.0	13	25
10.1 - 15.0	15	25
15.1 - 20.0	18	30
20.1 +	20	30

ACOG's sick leave policy allows employees to earn 15 sick days per year up to a maximum accumulation of 45 days. There is no liability for unpaid accumulated sick leave since ACOG does not have a policy to pay any amounts for accumulated sick leave when employees separate from service with ACOG. All vacation pay is

Association of Central Oklahoma Governments

Notes to the Financial Statements

June 30, 2012

accrued when incurred in the government-wide financial statements. At June 30, 2012, ACOG had recorded a liability for accrued vacation of \$105,053.

6. *Long-term obligations*

In the government-wide financial statements, long-term capital leases are reported as a liability in the governmental activities statement of net assets.

In the fund financial statements, governmental funds report the proceeds of capital leases as other financing sources.

7. *Fund balance*

Beginning with the fiscal year ended June 30, 2011, ACOG implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The classifications used in the governmental fund financial statements are as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form, such as prepaid items, or because the resources must be maintained intact pursuant to legal or contractual requirements.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws and regulations of other governments.
- Assigned – includes fund balance amounts that are intended to be used by ACOG for specific purposes that do not meet the criteria to be classified as restricted. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted. In the general fund, assigned amounts represent intended uses established by the Board of Directors or its Budget Committee.
- Unassigned – includes amounts that are available for any purpose. Positive amounts are reported only in the General fund.

ACOG does not have a formal minimum fund balance policy.

ACOG would normally use Restricted fund balances first and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Association of Central Oklahoma Governments

Notes to the Financial Statements

June 30, 2012

8. *Net assets*

In the governmental financial statements, net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by grantors, creditors, or laws or regulations of other governments. Although it has no formal policy, ACOG normally applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

II. Detailed notes on all funds

A. Deposits and investments

At year-end, ACOG's carrying amount of deposits, excluding the agency fund, was \$1,782,333 and the bank balance was \$1,974,848. Of the bank balance, all \$1,782,333 was fully covered by federal depository insurance. Custodial credit risk for deposits is the risk that in the event of a bank failure, ACOG's deposits may not be returned to it. At June 30, 2012, none of ACOG's bank balance was exposed to custodial credit risk since all was insured.

Both the carrying amount of deposits and the bank balance for ACOG's agency fund were \$364,540. Of the balance, \$250,000 was covered by federal depository insurance and \$114,540 was more than fully collateralized by U.S. Treasury Notes with a current market value of \$132,787. JPMorgan Chase Bank, NA, pledged this amount to ACOG and the collateral securities are held at the Federal Reserve Bank of New York.

ACOG's investments of \$99,929 consist solely of one Treasury bill in a Legacy Treasury Direct account.

B. Receivables and deferred revenue

Receivables as of year-end for ACOG's individual major funds and the agency fund are as follows:

Association of Central Oklahoma Governments

Notes to the Financial Statements

June 30, 2012

Receivables:	Wireless 9-1-1 Fees	Grants and Contracts	Employees	Other	Total
General fund	\$ -	\$ -	\$ 7,540	\$ 32,374	\$ 39,914
Transportation	-	484,730	-	-	484,730
Intergovernmental services	-	56,846	-	-	56,846
E9-1-1 & public safety	-	170,172	-	-	170,172
Water resources	-	25,611	-	-	25,611
Agency fund	419,426	-	-	-	419,426
Total	<u>\$ 419,426</u>	<u>\$ 737,359</u>	<u>\$ 7,540</u>	<u>\$ 32,374</u>	<u>\$ 1,196,699</u>

Employee receivables consist of one-time, payroll conversion-related employee advances.

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Rural Economic Action Plan (REAP)	\$ -	\$ 754,239
Air quality project	-	21,377
CIP projects	11,054	-
Change a Light project	-	44
Total	<u>\$ 11,054</u>	<u>\$ 775,660</u>

C. Capital assets

Capital asset activity for the year ended June 30, 2012 was as follows:

Association of Central Oklahoma Governments
Notes to the Financial Statements
June 30, 2012

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, being depreciated or amortized:				
Computers and software	\$ 128,603	\$ -	\$(8,499)	\$120,104
Leased equipment	17,523	10,781	-	28,304
Equipment	138,293	-	-	138,293
Total capital assets being depreciated/amortized:	284,419	10,781	(8,499)	286,701
Less accumulated depreciation or amortization for:				
Computers and software	(101,445)	(17,506)	8,499	(110,452)
Leased equipment	(6,132)	(4,762)	-	(10,894)
Equipment	(70,735)	(18,034)	-	(88,769)
Total accumulated depreciation or amortization	(178,312)	(40,302)	8,499	(210,115)
Total capital assets, net of depreciation/amortization	106,107	(29,521)	-	76,586
Governmental activities capital assets, net	<u>\$ 106,107</u>	<u>\$ (29,521)</u>	<u>\$ -</u>	<u>\$ 76,586</u>

Depreciation/amortization expense was charged to functions/programs of ACOG as follows:

Governmental activities:	
General government	\$ 1
Transportation planning	11,151
Air quality public awareness program	162
Regional services	20,246
Rural Economic Action Plan program	432
Water resources programs	8,310
Total depreciation/amortization expense	<u>\$ 40,302</u>

D. Interfund receivables, payables and transfers

The composition of interfund balances as of June 30, 2012, is as follows:

Association of Central Oklahoma Governments
Notes to the Financial Statements
June 30, 2012

Due to/from other funds:

	Interfund Receivables	Interfund Payables
General fund		
Due from special revenue funds	\$ 487,841	\$ -
Special revenue funds		
Due to general fund from:		
Transportation	-	227,966
Intergovernmental services	-	48,704
E9-1-1 & public safety	-	188,384
Water resources	-	22,787
Total	\$ 487,841	\$ 487,841

Interfund transfers are used to move unrestricted general fund revenues to special revenue funds to finance under-funded projects and to redistribute membership dues between programs. No interfund transfers were made during the year ended June 30, 2012.

E. Leases

Operating Lease

ACOG leases office space under a lease that expires July 31, 2015. This lease gives ACOG the option for early termination as of July 31, 2013. If ACOG elects to exercise this option, an additional payment of \$25,401 will be due for the unamortized portion of the cost of building improvements.

The total cost for this lease was \$160,200 for the year ended June 30, 2012. The future minimum lease payments for this lease are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2013	\$ 160,200
2014	160,200
2015	160,200
2016	13,350
Total	\$ 493,950

Association of Central Oklahoma Governments
Notes to the Financial Statements
June 30, 2012

Capital Leases

ACOG leases copiers with a historical cost and accumulated amortization of \$28,304 and \$10,895, respectively, under capital lease arrangements. Total interest expense for the year was \$1,801 and is included in printing in the overall indirect costs, which in turn are allocated to each program/function based on direct labor plus allocated employee benefits. See Note III B.

The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments as of June 30, 2012:

<u>Year Ending June 30</u>		
2013	\$	7,170
2014		4,944
2015		<u>2,060</u>
Total minimum lease payments		14,174
Less: amount representing interest		<u>(2,790)</u>
Present value of minimum lease payments	\$	<u><u>11,384</u></u>

F. Long-term liabilities

ACOG's only long-term liability is the copier capital leases. Activity for the year ended June 30, 2012, was as follows:

	<u>Beginning</u>		<u>Ending</u>		<u>Due Within</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Capital lease	<u>\$ 8,368</u>	<u>\$ 10,781</u>	<u>\$ (7,765)</u>	<u>\$ 11,384</u>	<u>\$ 5,416</u>

G. Fund balances

Fund balance is classified as nonspendable, restricted, assigned or unassigned based primarily on the extent to which ACOG is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance as of June 30, 2012, are as follows:

Association of Central Oklahoma Governments

Notes to the Financial Statements

June 30, 2012

Fund balances:	General Fund	Transportation	Intergovernmental Services	E9-1-1 & Public Safety	Water Resources	Total
Nonspendable						
Prepays	\$ 59,443	\$ 25,341	\$ 2,932	\$ 18,212	\$ 1,000	\$ 106,928
Restricted for:						
REAP program	-	-	73,719	-	-	73,719
Clean Cities program	-	-	89,521	-	-	89,521
9-1-1 ACOG contract admin	-	-	-	10,816	-	10,816
Assigned to:						
Future office expenditures	90,817	-	-	-	-	90,817
Transportation programs	-	50,924	-	-	-	50,924
CIP program	-	-	3,436	-	-	3,436
CDBG/REAP program	-	-	2,483	-	-	2,483
Water resources programs	-	-	-	-	23,896	23,896
Unassigned	1,189,388	-	-	-	-	1,189,388
Total	\$1,339,648	\$ 76,265	\$ 172,091	\$ 29,028	\$ 24,896	\$1,641,928

III. Other information

A. Risk management

ACOG is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. ACOG carries commercial insurance coverage to include general liability, property and casualty, workers' compensation, automobile liability, fidelity, public officials' liability and certain other risks. There have been no significant reductions in insurance coverage. ACOG does retain the first \$500 - \$2,500, depending on the policy, of each risk of loss in the form of deductibles. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Allocation of employee benefits and indirect costs

ACOG employee benefits and indirect costs are allocated to all cost objectives based upon actual expenditures and an allocation of depreciation and amortization use charge in accordance with 2 C.F.R. Part 225 (formerly OMB Circular No. A-87). Annually, ACOG submits its provisional employee benefits and indirect cost allocation rates to its federal oversight agency, the U.S. Department of Transportation, Federal Highway Administration, through its state pass-through agency, the Oklahoma Department of Transportation. The provisional rates are approved for use during the fiscal year with the understanding that the unaudited rates will have a final review. The final, actual rates are determined in June and are used in accounting for all cost objectives. These rates are applied to the applicable base. For employee benefits, the base is ACOG's direct labor costs for the cost

Association of Central Oklahoma Governments

Notes to the Financial Statements

June 30, 2012

objective. For indirect costs, the base is the cost objective's direct labor cost plus the allocated employee benefits. For the fiscal year ended June 30, 2012, ACOG's final employee benefits rate was 34.02% and final indirect cost rate was 58.56%.

C. Related party transactions

In 1988, ACOG entered into an agreement with the 9-1-1 Association of Central Oklahoma Governments (9-1-1 ACOG) for administration of the E9-1-1 emergency telephone number system on behalf of 9-1-1 ACOG. In this capacity, ACOG is responsible for the acquisition, implementation, and administration of the 9-1-1 system for the suburban communities, excluding the City of Oklahoma City. 9-1-1 ACOG reimburses ACOG for all costs incurred to fulfill these responsibilities. ACOG recorded revenues under this agreement for the year ended June 30, 2012, amounting to \$1,043,271 of which \$158,157 is included in year-end receivables of the E9-1-1 & public safety fund. Several individuals serving as officers or directors of 9-1-1 ACOG also hold similar positions with ACOG.

D. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability to ACOG. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although ACOG expects such amounts, if any, to be immaterial.

E. Employee pension plan

ACOG maintains a single employer, defined contribution pension plan in which an employee working thirty or more hours per week and completing one year or more of employment may participate. The plan is sponsored by The Principal Financial Group. During the year ended June 30, 2012, sixteen employees participated in the plan. Vesting in employer contributions generally occurs ratably over service years two through six, with an employee being 100% vested in year six. ACOG and the participating employees are required to contribute 5% and 3.5% of the participating employee's salary, respectively. Employees may make additional voluntary contributions. A summary of the required and actual contributions for the year ended June 30, 2012, follows:

	<u>Required</u> <u>Contribution</u>	<u>Actual</u> <u>Contribution</u>
ACOG	\$ 49,024	\$ 49,024
Participating employees	34,316	58,619

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Association of Central Oklahoma Governments
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Membership dues - basic	\$ 194,032	\$ 194,032	190,103	\$ (3,929)
Contract revenue	421,040	421,040	219,925	(201,115)
Other	7,638	7,638	8,302	664
Total revenues	<u>622,710</u>	<u>622,710</u>	<u>418,330</u>	<u>(204,380)</u>
EXPENDITURES				
Current:				
Salaries	-	-	50	(50)
Employee benefits	-	-	17	(17)
Indirect costs	-	-	39	(39)
Travel	5,024	5,024	4,434	590
Contractual	5,000	5,000	-	5,000
Other	443,175	443,175	239,030	204,145
Debt service	6,182	6,182	7,765	(1,583)
Capital outlay	46,000	46,000	10,781	35,219
Total expenditures	<u>505,381</u>	<u>505,381</u>	<u>262,116</u>	<u>243,265</u>
Excess (deficiency) of				
revenues over expenditures	<u>117,329</u>	<u>117,329</u>	<u>156,214</u>	<u>38,885</u>
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	-	-	10,781	10,781
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Contributions to indirect cost	30,835	30,835	41,755	10,920
Total other financing sources & uses	<u>30,835</u>	<u>30,835</u>	<u>52,536</u>	<u>21,701</u>
Net change in fund balances	148,164	148,164	208,750	60,586
Fund balances-beginning	1,130,898	1,130,898	1,130,898	-
Fund balances-ending	<u>\$ 1,279,062</u>	<u>\$ 1,279,062</u>	<u>\$ 1,339,648</u>	<u>\$ 60,586</u>

Association of Central Oklahoma Governments
Transportation
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Federal grants	\$ 2,446,130	\$ 2,446,130	\$ 1,786,677	\$ (659,453)
Membership dues - transportation	128,552	128,552	128,117	(435)
Membership dues - basic	-	-	-	-
In-kind matching contributions	429,348	429,348	346,506	(82,842)
Other	47,169	47,169	12,908	(34,261)
Total revenues	<u>3,051,199</u>	<u>3,051,199</u>	<u>2,274,208</u>	<u>(776,991)</u>
EXPENDITURES				
Current:				
Salaries	651,924	651,924	520,491	131,433
Employee benefits	274,606	274,606	177,084	97,522
Indirect costs	455,203	455,203	408,510	46,693
Travel	16,900	16,900	2,229	14,671
Advertising and public education	132,500	132,500	77,529	54,971
Contractual	462,880	462,880	353,927	108,953
Special projects	986,041	986,041	627,333	358,708
Other	71,145	71,145	43,628	27,517
Total expenditures	<u>3,051,199</u>	<u>3,051,199</u>	<u>2,210,731</u>	<u>840,468</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>63,477</u>	<u>63,477</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Contributions to indirect cost	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>63,477</u>	<u>63,477</u>
Fund balances-beginning	12,788	12,788	12,788	-
Fund balances-ending	<u>\$ 12,788</u>	<u>\$ 12,788</u>	<u>\$ 76,265</u>	<u>\$ 63,477</u>

Association of Central Oklahoma Governments
Intergovernmental Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive</u> <u>(Negative)</u>
REVENUES				
Federal grants	\$ 175,253	\$ 175,253	\$ 119,946	\$ (55,307)
State appropriations	1,047,395	1,047,395	475,857	(571,538)
Membership dues - basic	82,210	82,210	83,993	1,783
In-kind matching contributions	45,000	45,000	3,144	
Other	191,503	191,503	174,699	(16,804)
Total revenues	<u>1,541,361</u>	<u>1,541,361</u>	<u>857,639</u>	<u>(641,866)</u>
EXPENDITURES				
Current:				
Salaries	141,946	141,946	143,290	(1,344)
Employee benefits	59,791	59,791	48,751	11,040
Indirect costs	99,113	99,113	112,462	(13,349)
Travel	5,406	5,406	5,523	(117)
Advertising and public education	-	-	170	(170)
Contractual	209,947	209,947	133,951	75,996
Grants to ACOG area communities	1,028,223	1,028,223	403,580	624,643
Other	81,171	81,171	14,368	66,803
Capital Outlay	-	-	-	-
Total expenditures	<u>1,625,597</u>	<u>1,625,597</u>	<u>862,095</u>	<u>763,502</u>
Excess (deficiency) of revenues over expenditures	<u>(84,236)</u>	<u>(84,236)</u>	<u>(4,456)</u>	<u>79,780</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Contributions to indirect cost	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(84,236)</u>	<u>(84,236)</u>	<u>(4,456)</u>	<u>79,780</u>
Fund balances-beginning	176,547	176,547	176,547	-
Fund balances-ending	<u>\$ 92,311</u>	<u>\$ 92,311</u>	<u>\$ 172,091</u>	<u>\$ 79,780</u>

Association of Central Oklahoma Governments
E9-1-1 & Public Safety
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
REVENUES				
Federal grants	\$ -	\$ -	\$ -	\$ -
Contract revenue	1,255,308	1,255,308	1,101,708	(153,600)
Membership dues - basic	-	-	-	-
Other	-	-	2,655	2,655
Total revenues	<u>1,255,308</u>	<u>1,255,308</u>	<u>1,104,363</u>	<u>(150,945)</u>
EXPENDITURES				
Current:				
Salaries	451,960	451,960	429,379	22,581
Employee benefits	190,377	190,377	146,085	44,292
Indirect costs	315,579	315,579	337,000	(21,421)
Travel	26,584	26,584	20,223	6,361
Advertising and public education	19,168	19,168	7,510	11,658
Contractual	113,092	113,092	81,592	31,500
Professional services	15,513	15,513	7,152	8,361
Special projects	20,548	20,548	17,919	2,629
Other	102,487	102,487	48,533	53,954
Capital outlay	-	-	-	-
Total expenditures	<u>1,255,308</u>	<u>1,255,308</u>	<u>1,095,393</u>	<u>159,915</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>8,970</u>	<u>8,970</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Contributions to indirect cost	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>8,970</u>	<u>8,970</u>
Fund balances-beginning	20,058	20,058	20,058	-
Fund balances-ending	<u>\$ 20,058</u>	<u>\$ 20,058</u>	<u>\$ 29,028</u>	<u>\$ 8,970</u>

Association of Central Oklahoma Governments
Water Resources
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Federal grants	\$ 25,000	\$ 25,000	\$ 38,342	\$ 13,342
Membership dues - water	132,445	132,445	131,806	(639)
Membership dues - basic	-	-	-	-
Contract revenue	122,311	122,311	90,954	(31,357)
Other	-	-	-	-
Total revenues	<u>279,756</u>	<u>279,756</u>	<u>261,102</u>	<u>(18,654)</u>
EXPENDITURES				
Current:				
Salaries	71,935	71,935	71,025	910
Employee benefits	30,301	30,301	24,165	6,136
Indirect costs	50,228	50,228	55,744	(5,516)
Travel	5,626	5,626	1,799	3,827
Advertising and public education	-	-	-	-
Contractual	122,311	122,311	92,620	29,691
Other	9,858	9,858	6,566	3,292
Capital outlay	-	-	-	-
Total expenditures	<u>290,259</u>	<u>290,259</u>	<u>251,919</u>	<u>38,340</u>
Excess (deficiency) of revenues over expenditures	<u>(10,503)</u>	<u>(10,503)</u>	<u>9,183</u>	<u>19,686</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Contributions to indirect cost	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(10,503)</u>	<u>(10,503)</u>	<u>9,183</u>	<u>19,686</u>
Fund balances-beginning	15,713	15,713	15,713	-
Fund balances-ending	<u>\$ 5,210</u>	<u>\$ 5,210</u>	<u>\$ 24,896</u>	<u>\$ 19,686</u>

Association of Central Oklahoma Governments
Information on Budgetary Comparison Schedules
June 30, 2012

1. Budgetary Information

Budgets for the general and special revenue funds are adopted on an available resources basis but are converted to a basis consistent with accounting principles generally accepted in the United States of America. A proposed budget and work program for the ensuing fiscal year is submitted by the ACOG Executive Director to ACOG's Budget Committee during June of each year. The budget is prepared by cost objectives within each fund and is organized into a general fund budget, a budget for each special revenue fund, a budget for indirect costs and a combined total budget. The budget must be balanced. The ACOG Board of Directors votes to adopt the budget approved by its Budget Committee for the ensuing fiscal year, subject to amendment or modification, during its June meeting. Expenditures in excess of approved budget amounts must be approved by the Board of Directors in advance. In prior years, the ACOG Board of Directors adopted the amendment to its current year budget during May. Due to workload and time constraints, no amendment has been done since May of 2010. ACOG is unable to legally adopt a budget.

The budget is organized on a "fund" basis. A fund is an accounting entity used to account for revenues of like sources. The governmental funds group accounts for funds received from other units of government or otherwise used in financing the routine operations of ACOG. The two types of funds within this category are:

General fund. The general fund is the basic operating fund of ACOG. It is used to account for all financial resources not required to be accounted for in another category.

Special revenue funds. These funds account for proceeds from specific revenue sources including grant funds.

**Association of Central Oklahoma Governments
Schedule of Indirect Costs
For the Year Ended June 30, 2012**

Indirect salaries	\$ 373,740
Employee benefits	<u>127,155</u>
Indirect personnel costs	500,895
Office space	160,200
Repairs and maintenance	63,413
Supplies	36,714
Telephone and internet	29,053
Accounting services	22,058
Depreciation	21,581
Insurance	11,908
Legal services	1,227
Equipment and furniture	36,794
Professional dues	5,690
Development and recruiting	10,050
Printing	6,581
Travel	1,683
Publications and subscriptions	2,516
Contractual	7,752
Postage	766
Parking	71
Miscellaneous	100
Equipment rental	<u>603</u>
Indirect costs	919,655
Revenue from Oklahoma Association of Regional Councils	<u>(5,900)</u>
Net indirect costs (A)	<u>\$ 913,755</u>
BASIS FOR ALLOCATION OF INDIRECT COSTS:	
Direct salaries	\$ 1,164,235
Direct employee benefits	<u>396,102</u>
Total direct personnel costs (B)	<u>\$ 1,560,337</u>
INDIRECT COST RATE (A DIVIDED BY B)	<u>58.56%</u>

**Association of Central Oklahoma Governments
Schedule of Employee Benefits
For the Year Ended June 30, 2012**

BENEFIT PROGRAMS:

Group health insurance	\$	112,732
FICA taxes		101,166
Annual leave		88,264
Holidays		63,105
Sick leave		62,222
Retirement fund contribution		43,955
Medicare taxes		24,014
Workers' compensation insurance		11,205
Retirement fund administration		7,000
Unemployment insurance		6,537
Section 125 plan administration		1,713
Group long term care insurance		1,344

Total benefits (A)

\$ 523,257

BASIS FOR ALLOCATION OF BENEFITS:

Gross salaries (B)	\$	1,537,975
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EMPLOYEE BENEFIT RATE (A DIVIDED BY B)

34.02%

**Association of Central Oklahoma Governments
Schedule of Direct State of Oklahoma Financial Assistance
For the Year Ended June 30, 2012**

State Grantor/ Program Title	Contract Period	Contract Amount	Cash/ Accrued or (Deferred) Revenue at July 1, 2011	Receipts or Revenue Recognized	Disbursements/ Expenditures	Cash/ Accrued or (Deferred) Revenue at June 30, 2012
Oklahoma Department of Commerce						
State Appropriated Funds for Substate Planning Districts						
14759 SS 12	07/01/11-06/30/12	36,364	-	36,364	36,364	-
REAP Funds and Interest Earned						
REAP Administration	Various	Various	42,281	28,847	40,987	30,141
REAP Transportation	Various	Various	192,966	48	123,178	69,836
REAP Economic Development	Various	Various	14,525	6	5,096	9,435
REAP Projects	Various	Various	537,448	503,630	322,509	718,569
Total Direct State of Oklahoma Financial Assistance			\$ 787,220	\$ 568,895	\$ 528,134	\$ 827,981



**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 of the
Association of Central Oklahoma Governments

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Association of Central Oklahoma Governments ("ACOG"), as of and for the year ended June 30, 2012, which collectively comprise the ACOG's basic financial statements and have issued our report thereon dated October 9, 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered ACOG's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the ACOG's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the ACOG'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 ACOG'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 weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ACOG's 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 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 the Board of Directors, management and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Wedge & Associates, P.C.

Edmond, Oklahoma
October 9, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

To the Board of Directors of the
Association of Central Oklahoma Governments

Compliance

We have audited the Association of Central Oklahoma Governments' ("ACOG") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of ACOG's major federal programs for the year ended June 30, 2012. ACOG's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of ACOG's management. Our responsibility is to express an opinion on ACOG's compliance based on our audit.

We conducted our audit of compliance 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ACOG's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on ACOG's compliance with those requirements.

In our opinion, ACOG complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of ACOG is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered ACOG's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance

in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ACOG's internal control over compliance.

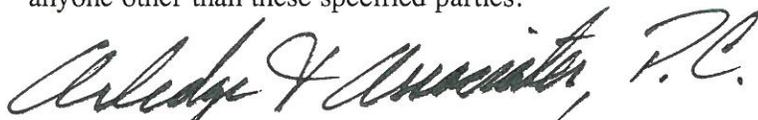
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Association of Central Oklahoma Governments ("ACOG"), as of and for the year ended June 30, 2012, and have issued our report thereon dated October 9, 2012, which contained unqualified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise ACOG's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is 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. The information has been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements as a whole.

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



Edmond, Oklahoma
October 9, 2012

ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2012

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weakness(es) identified? _____ yes X no
Significant deficiency(ies) identified
not considered to be material weakness(es)? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:
Material weakness(es) identified? _____ yes X no
Significant deficiency(ies) identified
not considered to be material weakness(es)? _____ yes X none reported

Type of auditor's report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section .510(a)? _____ yes X no

Identification of major programs:

<u>CFDA Number</u>	<u>Federal Program or Cluster</u>
20.205	Federal Highway Planning and Construction

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X yes _____ no

ASSOCIATION OF CENTRAL OKLAHOMA GOVERNMENTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2012

SECTION II - FINANCIAL STATEMENT FINDINGS

Compliance Findings

None.

Internal Control Findings

None.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Compliance Findings

None.

Internal Control Findings

None.

**Association of Central Oklahoma Governments
Corrective Action Plan (Unaudited)
For the Year Ended June 30, 2012**

No corrective action plan is required as the current year's audit contained no findings.

**Association of Central Oklahoma Governments
Status of Prior Year Findings (Unaudited)
For the Year Ended June 30, 2012**

The prior year's audit contained no findings.

**Association of Central Oklahoma Governments
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012**

Federal Grantor/Pass-Through Agency Grant Program Title	CFDA Number	Other Grantor's Reference	Expenditures	Amount Provided to Subrecipients
U.S. Department of Commerce				
Economic Development Administration				
Economic Development Support for Planning Organizations - Planning Investments and Comprehensive Economic Development Strategies	11.302	08-86-04596	79,946	-
<i>Total U.S. Department of Commerce</i>			79,946	-
U.S. Department of Energy				
Passed-through Oklahoma Department of Commerce State Energy Program Clean Cities Program	81.041	14273 SEP 10	40,000	-
<i>Total U.S. Department of Energy</i>			40,000	-
U.S. Environmental Protection Agency				
Office of Water				
Passed-through Oklahoma Office of the Secretary of Environment Water Quality Management Planning C6-40000048-2 Water Quality Management Planning C6-40000049-0	66.454	09/10 604(b) 66.454 11 604(b)	37,392 950	-
<i>Total U.S. Environmental Protection Agency</i>			38,342	-
U.S. Department of Transportation				
Federal Highway Administration				
Passed-through Oklahoma Department of Transportation OCARTS-PL 12 Transportation Study Congestion Mitigation Air Quality Public Awareness Campaign FY 10 Congestion Mitigation Air Quality Public Awareness Campaign FY 11 Congestion Mitigation Air Quality Public Fleet Conversion FY 09 Congestion Mitigation Air Quality Public Fleet Conversion FY 10 Congestion Mitigation Air Quality Public Fleet Conversion FY 11	20.205 20.205 20.205 20.205 20.205 20.205	J/P 11767(26) J/P 17904(08) J/P 17904(08) J/P 26038(04) J/P 26038(04) J/P 26038(04)	880,678 2,599 47,901 156,207 270,000 74,630	- - - - - -

**Association of Central Oklahoma Governments
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012**

Federal Grantor/Pass-Through Agency Grant Program Title	CFDA Number	Other Grantor's Reference	Expenditures	Amount Provided to Subrecipients
Congestion Mitigation Air Quality Rideshare Program FY 09	20.205	J/P 26039(04)	30,957	-
Congestion Mitigation Air Quality Rideshare Program FY 10	20.205	J/P 26039(04)	10,432	-
Congestion Mitigation Air Quality Rideshare Program FY 11	20.205	J/P 26039(04)	41,472	-
Federal Transit Administration				
Passed-through Oklahoma Department of Transportation				
FTA FY 10 - 11 Technical Study	20.505	J/P 15612(18)	46,655	-
FTA FY 11 - 12 Technical Study	20.505	J/P 15612(20)	210,642	-
Passed-through Central Oklahoma Transportation & Parking Authority				
Jobs Access-Reverse Commute	20.516		10,320	-
New Freedom Program	20.521		4,184	-
<i>Total U.S. Department of Transportation</i>			<i>1,786,677</i>	<i>-</i>
Total Expenditures of Federal Awards			\$ 1,944,965	\$ -

See notes to schedule of expenditures of federal awards.

Association of Central Oklahoma Governments
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

1. **Basis of presentation and accounting policies**

General - The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards assistance programs of the Association of Central Oklahoma Governments ("ACOG"). ACOG's reporting entity is described in Note 1 to ACOG's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule. Required local matching contributions are not included on the schedule.

Basis of Accounting - The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to ACOG's basic financial statements.

2. **Federal CFDA number**

Federal CFDA numbers listed on the Schedule of Expenditures of Federal Awards were obtained from the grant/contract agreements.