

ASSOCIATION FOR SOUTH CENTRAL OKLAHOMA GOVERNMENTS
ANNUAL FINANCIAL STATEMENTS

Year Ended June 30, 2014

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Independent Auditor's Report

Board of Trustees
Association for South Central Oklahoma Governments
Duncan, Oklahoma

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Association of South Central Oklahoma Governments, as of June 30, 2014 and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the Association of South Central Oklahoma Governments basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Association's management.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 *Governmental 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Association of South Central Oklahoma Governments as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 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, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The Association of South Central Oklahoma Governments has not presented the budgetary comparison information for the general fund and major special revenue funds that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Association of South Central Oklahoma Governments basic financial statements. The combining and individual fund financial statements designated as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and schedule of expenditures of state 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 also not a required part of the basic financial statements.

The combining and individual fund financial statements and the schedule of expenditures of federal awards and state awards are the responsibility of

management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements designated as supplementary information and the schedule of expenditures of federal awards and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated May 28, 2015, on our consideration of Association of South Central Oklahoma Governments 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 *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Association of South Central Oklahoma Governments basic financial statements. The accompanying supplemental schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying combining and individual fund financial statements and schedules of grant revenues and expenditures - budget vs. actual - contract period to date listed under supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of OMB Circular A-133 or the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


Duncan, Oklahoma
May 28, 2015



**Association of South Central Oklahoma Governments
Management's Discussion and Analysis
June 30, 2014**

The following discussion and analysis of the Association of South Central Oklahoma Governments (hereafter referred to as the Association or ASCOG) financial performance provides an overview of ASCOG's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with ASCOG's financial statements.

Financial Highlights

*General fund expenses exceeded revenues for the year by \$33,332.

*As of the close of the fiscal year, the ending fund balance was \$2,009,117. Of those funds, \$1,432,622 is available for spending at ASCOG's discretion (unassigned fund balance).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Association's basic financial statements comprised of three components: 1) Association-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.

This discussion and analysis of the Association's annual audited financial statements is required by the Governmental Accounting Standards Board (GASB), Statement No. 34. The intent of this discussion is to give management's view and analysis of significant financial activities affecting ASCOG during the fiscal year, along with comparative analysis of ASCOG's financial activities from prior years.

Government-wide financial statements

The Association-wide financial statements are designed to provide readers with a broad view of ASCOG's finances in a manner similar to a private sector business.

The Statement of Net Assets

The statement of net assets presents information on all of the Association's assets and liabilities, with the difference between the two reported as net assets. You can think of ASCOG's net assets as one way to measure the Association's financial health or financial position. Over time, increases or decreases in the Association's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in Federal or State funding formulas, changes in law and the health of local, state and federal economies to assess the overall health of ASCOG.

The Statement of Activities

The statement of activities presents information showing how ASCOG's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., accounts receivable and earned but unused vacation leave).

In the *Statement of Net Assets* and the *Statement of Activities*, the financial activities reported include Workforce

programs, Area Agency on Aging, Rural Economic Action Plan, EDA planning and various local community development contracts. Contracts with members and other governmental entities, as well as state and federal grants finance most of these activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Association, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with funding restrictions and other legal requirements. All of the funds of the Association are accounted for in the governmental funds (either the general fund or special revenue funds).

ASCOG maintains numerous individual governmental funds; however, data from the various governmental funds are combined into a single, aggregated presentation. Information is presented for the combined funds in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance.

The Organization As A Whole

As noted earlier, net assets may serve over time as a useful indicator of the Association's financial position. For the year ended June 30, 2014, ASCOG's net assets decreased 0.5% to \$2,009,117. This change in net assets occurs as expenses for the period exceeded revenues by \$33,332.

Unrestricted net assets is the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, legislation, or other legal restrictions and totals 1,432,622. An additional portion of ASCOG's net assets; \$576,495 represents resources that are subject to restrictions imposed due to the nature of the assets (fixed assets, long-term note receivable).

General Fund Activities

ASCOG's general fund is used to account for the non-grant funded activities of the organization. Funding is received either through contracts with non-federal or non-state sources including member governments or other organizations who receive services from ASCOG. Services may include but are not limited to planning and technical assistance services, capital improvement planning and local grant administration services. In addition, the Advantage program provides case management services on a fee-for-service basis.

Special Revenue Fund Activities

ASCOG utilizes a number of special revenue funds to account for the federal and state grant programs that are administered. Each grant award is maintained separately including expenditures and advances or reimbursement of funds by the grantor agency. Administration of the federal or state grant awards cannot result in generation of "profit" for the organization since funds are reimbursed for actual expenditures.

Fund Balance

The Statement of Revenues, Expenses and Changes in Fund Balance in the audit report shows ASCOG's governmental fund balance decreased \$33,332 since last year due to activities accounted for in the general fund.

Budgetary Highlights

As directed by Title 60, Oklahoma Statutes, Section 176 et seq. ASCOG (a public trust) is required to report, at

least annually, the budget and financial condition of the trust to its beneficiaries. ASCOG's budget is prepared on a fiscal year basis and approved by the board of trustees annually. The budget serves as a guide for management of the trust to follow during day-to-day operations.

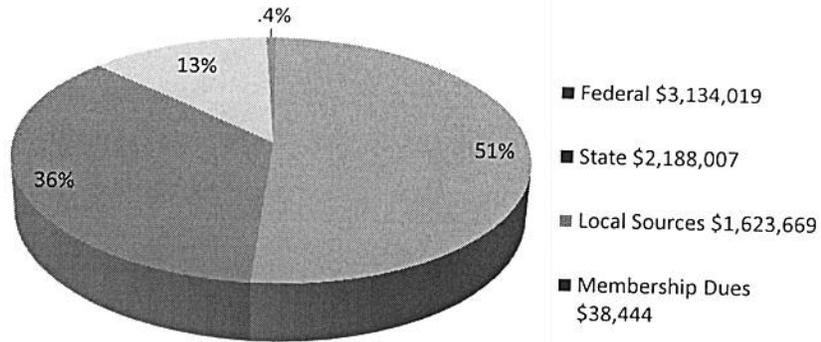
ASCOG's budgetary process includes various stages. Budgets for most federal and state grants or contracts must be approved by the governmental agency providing funding. Grant and contract budgets follow award periods, not necessarily the same as ASCOG's fiscal year. Management develops budgets (and amendments) by department by grouping related grants and contracts for approval by the board of trustees. Staff reports financial activity with budgetary comparisons monthly to the board of trustees.

Compilation of ASCOG's budget is based on management design of the organization (by department) and doesn't necessarily follow a GASB 34 categorization. Due to the nature of ASCOG's budgetary process and the complexity of the numerous budget periods, a complete budgetary comparison of ASCOG is confusing and of little significance in evaluating the financial management of the organization. Management has provided individual grant and contract budget comparisons elsewhere in this audit report as required by most funding agencies.

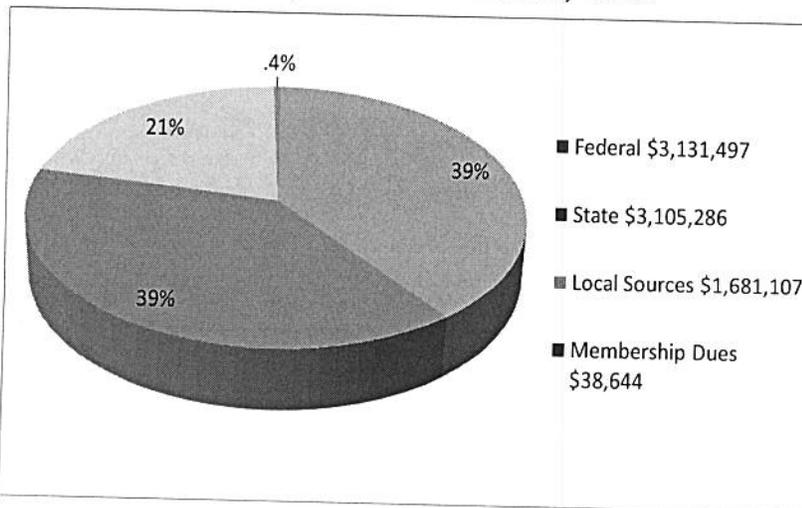
Economic Factor and Funding Dependence

The following charts display ASCOG's dependency on State and Federal funding. Revenue shortfalls and subsequent budget reductions pose a risk to ASCOG's various government-funded grants and contracts. Management has tried to mitigate this risk by building an unrestricted reserve and investing resources into strong local programs.

Association of South Central Oklahoma Governments
 Funding by Source
 For the year ended June 30, 2014



Association of South Central Oklahoma Governments
 Funding by Source
 For the year ended June 30, 2013



Contacting ASCOG's Financial Management

This financial report is designed to provide our members, district residents, government agencies and customers with a general overview of the Association's finances and to show ASCOG's accountability for the money it receives. If you have any questions about this report, contact the ASCOG office at 802 Main Street, PO Box 1647, Duncan, Oklahoma 73534 or telephone us at 580.736.7966 or toll free at 800.658.1466.

Jerome Watts
Director of Resource Management

Association of South Central Oklahoma Governments

Statement of Net Assets
June 30, 2014

<u>Assets</u>	<u>Governmental Activities</u>
Current Assets	
Cash	\$ 699,517
Investments	2,328,197
Accounts receivable	788,125
Prepaid expenses	6,585
Total Current Assets	3,822,424
Noncurrent Assets	
Notes receivable - long term portion	513,709
Capital assets (net of accumulated depreciation)	62,786
Total Noncurrent Assets	576,495
Total Assets	4,398,919
<u>Liabilities</u>	
Current Liabilities	
Accounts payable and accrued liabilities	421,908
Deferred revenue	1,967,894
Total Current Liabilities	2,389,802
<u>Net Assets</u>	
Invested in capital assets and nonspendable	62,786
Restricted for special revenue	513,709
Unassigned	1,432,622
Total Net Assets	\$ 2,009,117

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

Association of South Central Oklahoma Governments

Statement of Activities
June 30, 2014

	Program Expenses			Program Revenues		Program Revenues	Net (Expense) Revenue
	Expenses	Indirect Expense Allocation	Local Match Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities							
General government	\$ 1,593,456	-	265,422	1,294,702	-	\$ (33,332)	
Workforce investments	1,701,385	245,883	49,563	1,897,705	-	-	
Aging services	2,299,402	67,567	283,202	2,083,767	-	-	
Rural fire defense	57,972	12,028	-	70,000	-	-	
Rural economic action plans	934,662	-	-	934,662	-	-	
EDA Planning activities	259,771	7,544	-	267,315	-	-	
DOC Appropriation Projects	71,039	15,411	25,935	60,515	-	-	
Senior Health Counseling	6,588	1,476	-	8,064	-	-	
Total Governmental Activities	\$ 6,924,275	349,909	624,122	6,616,730	-	(33,332)	

Fund balance - Beginning of the year

2,042,449

Fund balance - End of the year

\$ 2,009,117

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

Association of South Central Oklahoma Governments

Balance Sheet - Governmental Funds
June 30, 2014

	General Fund	Special Revenue	Total Governmental
<u>Assets</u>			
Current Assets			
Cash	\$ 699,517	-	\$ 699,517
Investments	2,328,197	-	2,328,197
Due from grantors/grantees	-	202,605	202,605
Accounts receivable - other	585,520	-	585,520
Due from special revenue funds	202,605	-	202,605
Due from general fund	-	1,961,986	1,961,986
Prepaid expenses	6,585	-	6,585
Total Current Assets	3,822,424	2,164,591	5,987,015
Noncurrent Assets			
Notes receivable	-	513,709	513,709
Capital assets (net of accumulated depr	62,786	-	62,786
Total Noncurrent Assets	62,786	513,709	576,495
Total Assets	3,885,210	2,678,300	6,563,510
<u>Liabilities</u>			
Current Liabilities			
Accounts payable and accrued liabilities	421,908	-	421,908
Due to general fund	-	202,605	202,605
Due to special revenue funds	1,961,986	-	1,961,986
Deferred revenue	5,908	1,961,986	1,967,894
Total Current Liabilities	2,389,802	2,164,591	4,554,393
<u>Net Assets</u>			
Invested in capital assets	62,786	-	62,786
Restricted for special revenue	-	513,709	513,709
Unassigned	1,432,622	-	1,432,622
Total Net Assets	\$ 1,495,408	513,709	\$ 2,009,117

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

Association of South Central Oklahoma Governments

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total Governmental</u>
<u>Revenues</u>			
Federal grants applied	\$ -	3,134,021	\$ 3,134,021
State grants applied	-	2,188,007	2,188,007
Other grants applied	379,973	-	379,973
Local support and program revenue	265,422	358,700	624,122
Contract revenue	874,579	-	874,579
Membership dues	38,444	-	38,444
Interest income (local support)	1,706	-	1,706
Total revenues	<u>1,560,124</u>	<u>5,680,728</u>	<u>7,240,852</u>
<u>Expenditures</u>			
Salaries, benefits and payroll taxes:			
Fringe Benefits	882,248	804,314	1,686,562
Overhead	117,927	348,531	466,458
Other costs and pass through	(349,909)	349,909	-
	943,190	4,177,974	5,121,164
Total expenditures	<u>1,593,456</u>	<u>5,680,728</u>	<u>7,274,184</u>
Excess of revenues over expenditures	(33,332)	-	(33,332)
Fund balance - beginning of year	1,474,772	538,777	2,042,449
Fund balance - End of year	<u>\$ 1,441,440</u>	<u>538,777</u>	<u>\$ 2,009,117</u>

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

Association of South Central Oklahoma Governments

Notes to Financial Statements Year Ended June 30, 2014

Note 1 - Organization

The Association of South Central Oklahoma Governments, a Trust Authority, (the Authority) is a public trust organized under Title 60 of the Oklahoma statutes, and as a political subdivision of the State of Oklahoma is exempt from federal and state income taxes. The Authority was established to provide a cooperative association of local governments within an eight county area of South Central Oklahoma, under the Interlocal Cooperation Act, Title 74 of Oklahoma statutes, for the purposes of assisting local governments in planning for common needs, coordinating sound regional development, and administration of mutually beneficial programs.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles (GAAP) of the United States of America. The Authority is considered a governmental entity as defined by the Governmental Accounting Standards Board (GASB) and applies all relevant GASB pronouncements. Its operations are a mix of governmental and proprietary activities in nature and therefore the Authority has adopted a reporting framework similar to governmental type funds.

The basic financial statements include all the accounts of the Authority's operations. Membership governments and various local agencies for which grants and funding are issued or administered by the Authority have not been included in the basic financial statements.

The accounts of the Authority are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures. The Authority only uses two funds. The following two funds are used by the Authority:

1 - General Fund

The General Fund is the primary operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in the Special Revenue Funds. The General Fund provides services on a contract basis to the member governments. It includes the administration of grants that are not accounted for as Special Revenue Funds.

Association of South Central Oklahoma Governments

Notes to Financial Statements Year Ended June 30, 2014

2 - Special Revenue Fund

Special Revenue Fund is used to account for most, but not all, of grants in which the proceeds of specific revenue resources that are legally, contractually, or administratively restricted to expenditures for specific purposes. The grants included as the Special Revenue Fund are those grants that appear on the schedules of Federal and State financial assistance and include the vast majority of the revenues and expenditures of the Authority. Other minor grants are accounted for under the General Fund along with activities in which services are provided to the public.

Measurement focus, basis of accounting, and financial statement presentation

The financial statements are reported using the economic resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when earned and available and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The major sources of revenue are grants, state financial assistance, member government dues, local contributed cash, contributed services, and other revenues as discussed below:

- a. Federal and State Grant Revenue - Grant Revenue is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods. When expenses are incurred, the Authority bills the grantor for the expenditures and recognizes revenue at that time.
- b. State Financial Assistance - State financial assistance is appropriated by the Oklahoma Legislature and the revenue is recognized as applied to the expenditures for projects which they support.
- c. Member Government Dues - All member governments are required to pay dues. Dues are recognized as revenue when assessed. Dues are reported in the General Fund and transferred to the Special Revenue Funds as needed to meet matching requirements of the grants.
- d. Local Contributed Cash - Contributions to grant programs from local government and other participants are recognized as revenue when grant expenditures for which the contributions were made are incurred.
- e. In-Kind Contributions - Contributed services provided by individual private organizations, local governments and others are used to match federal and state funding on various grants. Contributed services are therefore

Association of South Central Oklahoma Governments

Notes to Financial Statements Year Ended June 30, 2014

reflected as revenue and expenditures in accordance with requirements of the individual grants. Contributed services are recorded as expenditures with a corresponding equivalent amount recorded as revenue. The amounts of such services are recorded in the financial statements as the estimated fair value at the time of receipt.

- f. Other Revenue - The Authority provides a planning and technical assistance department to its member governments on a fee basis. Fees for these services and related cost are reported as revenue and expenditures in the General Fund. The Advantage program provides services to the elderly and is operated in the General Fund. Planning activities funded by grants are reported in the Special Revenue Funds. Other revenues consist primarily of interest and miscellaneous charges and are usually recorded when received in cash because they are generally not measurable until actually received.

Though not required to have an annual budget, the Authority operates under an annual budget as a management tool. The Authority's primary source of funding is from federal, state and local grants, which have varying grant periods that may or may not coincide with the Authority's fiscal year. Because of the Authority's dependency on federal, state, and local funding, revenue estimates are based upon the best available information as to sources of funding. The Authority's annual budget differs from that of other local governments in two respects: (1) the uncertain nature of grant awards from other entities; and (2) conversion of grant budgets to a fiscal year basis. The annual budget is subject to constant change within the fiscal year due to increase or decrease in actual grant awards from amounts estimated, changes in grant periods, unanticipated grant awards not included in the budget, and estimated grant awards that fail to materialize.

Employee benefits and indirect costs are allocated to all grants based upon actual expenditures in accordance with the Office of Management and Budget (OMB) Circular A-87, Cost Principles for State and Local Governments. Employee benefits are allocated to grant project cost as a percentage of direct labor cost. Indirect costs applicable to overall operations are allocated to grant project costs as a percentage of total direct costs less participant salaries and pass through grant funds.

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Association of South Central Oklahoma Governments

Notes to Financial Statements
Year Ended June 30, 2014

Subsequent events were evaluated through June 29, 2015. Statements were available to be issued July 15, 2015.

Note 3 - Cash and Investments

Deposits with banks and financial institutions are carried at cost. Cash and temporary investments carried on the combined balance sheet include the following accounts:

Checking acct. - First Bank/Trust (Operating acct.)	\$ 691,491
Saving Acct. - First Bank/Trust	11,223
Certificates of Deposit - First Bank/Trust:	1,900,000
Certificates of Deposit - Arvest Bank	<u>425,000</u>
Total	<u>\$ 3,027,714</u>

The cash deposit accounts in the main operating account are covered by F.D.I.C. insurance in the amount of \$250,000 and pledged agency securities in the amount of \$2,290,753. Total deposits exceeded depository security by \$61,961.

Monies at Arvest Bank consist of Certificates of Deposits in various banks and are fully covered by F.D.I.C. insurance.

The Authority has no investments other than interest bearing deposits with financial institutions. The Authority has not formally adopted a deposit and investment policy.

Note 4 - Due Between Funds

Cash receipts from federal and state grants to the Special Revenue Funds are deposited to the General Fund cash account. Differences between actual receipts and actual expenditures of the Special Revenue Funds are carried as amounts due to and due from the General Fund.

Inter-fund balances at June 30, 2014, were as follows:

Due to Special Revenue Fund from General Fund	\$ 1,961,986
Due to General Fund from Special Revenue Funds	<u>202,605</u>
Net Due to Special Revenue Funds from General Fund	<u>\$ 1,759,381</u>

Note 5 - Accounts Receivable

Association of South Central Oklahoma Governments

Notes to Financial Statements
Year Ended June 30, 2014

Accounts receivable, consisting of advances to subgrantees, local project service contracts, members' dues, and advances to employees are carried at cost. The Authority uses the specific charge-off method of recording uncollectible accounts and such losses are recognized at the time the account is determined to be uncollectible.

Note 6 - Long-Term Note Receivable

Under a program of the Environmental Protection Agency, the Authority loans grant funds for projects in which will remediate environmental hazards. Under the terms of the program, the funds are to be paid back to the Authority after twenty years. At June 30, 2014, long term receivables for this program amounted to \$513,709.

Note 7 - Long-Term Obligation

The Authority rents its office space from the South Central Oklahoma Community Development Foundation, Inc. One lease is a long-term net lease, which requires a monthly payment of \$1,250 that will expire December 31, 2017. The other lease is a monthly lease, which requires a monthly payment of \$500.

The required rental under the fifteen-year lease will require the following future rental payments for the succeeding five years and thereafter:

06/30/2015	\$15,000
06/30/2016	15,000
06/30/2017	\$15,000

Note 8 - Fixed Assets

Fixed assets are recorded at historical cost. Depreciation and accumulated depreciation are recorded for assets purchased with general funds in the amount of \$500 or more. Assets purchased with grant program funds are recorded for control purposes, but depreciation is not recorded for these assets because the cost has been fully recovered through direct charges to grant program cost.

Depreciation on General Fund fixed assets is computed on the following stated useful lives of the assets:

Machinery and Equipment	5-7 years
Furniture and Fixtures	7-10 years
Leasehold Improvements	5-15 years

Association of South Central Oklahoma Governments

Notes to Financial Statements
Year Ended June 30, 2014

A summary of changes in fixed assets for the year ended June 30, 2014, is as follows:

	<u>Balance</u> <u>6/30/13</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/14</u>
<u>General Fund Assets</u>				
Furniture/Equipment	\$ 192,360			\$ 192,360
Leasehold Improvements	152,220			152,220
Total	<u>\$ 344,580</u>			<u>\$ 344,580</u>
<u>Accum. Depreciation</u>				
Furniture/Equipment	\$ 156,679	7,319		\$163,998
Leasehold Improvements	110,494	8,334		118,828
Total	<u>\$ 267,173</u>	<u>15,653</u>		<u>\$ 282,826</u>
<u>Program Assets</u>				
DOL Assets	\$ 524,942			\$ 524,942
DOL Training Assets	3,630			3,630
P & T A Assets	75,072			75,072
AAA Assets	27,409	1,139		28,548
EDA Assets	576			576
Managed Care Rural Fire Assets	81,671	1,613		83,284
Eldercare Assets	7,876	616		8,492
DEQ Assets	4,875			4,875
EPA Assets	159,230			159,230
	2,997	1,206		4,203
Total	<u>\$ 888,278</u>	<u>4,574</u>		<u>\$ 892,852</u>

Depreciation expense is charged to indirect costs. For the current year this expense was \$15,992 which includes \$339 in depreciation on program assets. Generally, program assets are fully depreciated on acquisition.

Association of South Central Oklahoma Governments

Notes to Financial Statements
Year Ended June 30, 2014

Note 9 - Cafeteria Plan

Full-time employees of the Authority are eligible to participate in an employee benefit cafeteria plan. The plan was created in accordance with Section 125 of the Internal Revenue Code and permits employees to obtain certain benefits with pre-tax medical and dental expense reimbursement, dependent care assistance and group term life insurance.

Note 10 - Pension Plan

The Authority provides pension or retirement benefits to its employees by participating in the Oklahoma Public Employee Retirement Plan (a cost-sharing multiple-employee PERS). The plan covers all full-time employees. Part-time employees with less than 1,000 hours annual service are not covered. All eligible full time employees are required to become covered in the first month following the month of employment.

The Plan provides the following benefits:

- Normal Retirement
- Early Retirement
- Disability
- Vested Severance
- In-Service Death
- Post-Retirement Death
- Post-Retirement Health

During the year ended June 30, 2014, the total payroll was \$1,501,156. All required contributions were paid to the plan. Contributions for the year ended June 30, 2014, were as follows:

Employer	\$ 212,440
Employee	<u>49,233</u>
Total	<u>\$ 261,673</u>

The schedule of required contributions and percentages for the current and two preceding years are as follows:

	Employer Share		Employee Share	
	Percent	Amount	Percent	Amount
YE June 30, 2014	16.5	\$ 212,440	3.5	\$ 49,223
YE June 30, 2013	16.5	\$ 224,200	3.5	\$ 50,366
YE June 30, 2012	15.5	\$ 231,915	3.5	\$ 53,423

Benefits are determined at 2% of the average highest three years annual covered compensation received during the last ten years of participation service multiplied by the number of years of credited service. Normal retirement age under the plan

Association of South Central Oklahoma Governments

Notes to Financial Statements
Year Ended June 30, 2014

is 62. Members become eligible to vest fully upon completing eight years of credited service. Members' contributions may be withdrawn upon termination of employment. Members who become a member before July, 1, 1992, qualify for full retirement benefits at their specific normal retirement age or when the sum of the member's age and their years of service equal or exceeds 80. Members who were employed after July 1, 1992, can begin receiving benefits when the member's age and their years of service equal 90. A member with minimum of 9 years, 6 months of participating service may elect early retirement with reduced benefits beginning at age 55.

The Board of Trustees of the Oklahoma Public Employees Retirement System and a separate report showing actuarial assumptions, plan assets, projected benefits payable and financial status of the plan may be obtained from:

Oklahoma Public Employees Retirement System
580 Jim Thorpe Building
P.O. Box 53007
Oklahoma City, Ok 73152

Note 11 - Compensated Absences:

Under personnel policies, all employees working 20 or more hours per week earn vacation leave at varying amounts based upon length of service.

Vacation leave accrues each two-week pay period as follows:

Years of Service	Hours Earned (2-week Period)
0-5	3.75
6-10	4.75
11-19	5.75
20 or more	6.50

The maximum amount of vacation leave that can be carried forward is 200 hours. The right to payment upon termination of employment vests after six months of employment.

Under personnel policies, full-time employees earn 3.75 hours of paid sick leave for each two weeks of employment, with lesser amounts earned by part-time employees. Employees are not paid for accumulated sick leave upon termination of employment.

The liability for earned unpaid compensated absences had been accrued and recorded as follows:

Vacation	<u>\$ 94,605</u>
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Association of South Central Oklahoma Governments

Notes to Financial Statements
Year Ended June 30, 2014

Note 12 - Deferred Revenue:

Federal and state grants are recorded in total as deferred revenue when the grants are received. As stated in Note 1, revenue from the grants is recorded when earned. The unearned portion of grants received is carried on the financial statements as deferred revenue. Amounts due from grantors from revenue earned but not received are carried as receivable in the Special Revenue Funds.

Note 13 - Net Asset Equity

The net asset equity attributable to the long-term portion of the long-term note receivable is carried as a restricted fund balance because this amount of the net asset equity is not available for appropriation or expenditure.

Changes to net asset equity during the current year were as follows:

Balance, June 30, 2013	\$2,042,449
Expenditure over Revenue, Current Year	<u>(33,332)</u>
Balance, June 30, 2014	<u>2,009,117</u>
Invested in Capital Assets (Net)	62,786
Reserved for Special Revenue	<u>513,709</u>
Unassigned Portion of Fund Balance	<u>\$1,432,622</u>

Note 14 - Insurance and Bond Coverage of Contingencies:

The Authority carries the following insurance coverage as protection against possible loss contingencies:

- Employee Blanket Bond
- Public Officials and Employee Liabilities
- General Commercial Liability
- Products Liability
- Fire Damage Liability
- Building and Contents
- Workers Compensation and Employer Liability

Insurance is carried through a variety of insurance companies.

Association of South Central Oklahoma Governments

Notes to Financial Statements
Year Ended June 30, 2014

Note 15 - Working Capital

Changes in net working capital of the General Fund during the current year were as follows:

	June 30, 2013	June 30, 2014	Change
Current Assets	\$ 3,184,088	3,822,424	\$ 638,336
Current Liabilities	1,756,406	2,389,802	633,396
Net Working Capital	\$ 1,427,682	1,432,622	\$ 4,940

Note 16 - Economic Dependence:

The Authority is dependent upon the federal and state funding to maintain continuing operations.

Note 17 - Contingencies:

In the normal course of operations, the Authority disburses funds from numerous federal and state grant programs. These expenditures are subject to audit and approval by the grantors of their representatives. Such audits could lead to claims in reimbursement of expenditures deemed unallowable under the terms of the grants. Presently, management is unaware of any liability for such expenditures, and in the opinion of management, such amounts would not be considered material.

Note 18 - Subsequent events:

Subsequent events have been evaluated through May 28, 2015 and the report is expected to be finalized July 16, 2015.

Association of South Central Oklahoma Governments

Combining Balance Sheet
Grants Comprising Special Revenue Funds
June 30, 2014

	Assets			Liabilities		Net Assets
	Due from General	Due from Others	Total Assets	Deferred Revenue	Total Liabilities	
Federal Financial Assistance Funds						
DOC Planning Organizations						
DOL 95833 SC-PY13	4,535	30,592	30,592	-	30,592	\$ -
DOL 95843-2-SW-PY	-	6,820	6,820	4,535	4,535	-
DOL 95863-CL-PY 13	6,149	-	6,149	-	6,149	-
DOL SCEP 95833	4,535	-	4,535	6,149	6,149	-
DOC SWODA Svc. Provider	-	7,243	7,243	4,535	4,535	-
DOC 14643-SC-PY-11	68	-	68	-	68	-
DOC 14926-SC-FY12	149	-	149	68	149	-
DOC 14937-SC-FY12	223	-	223	149	223	-
DOC 15058-SC-FY13	1,381	-	1,381	223	223	-
DOC 15119-SC-FY13	287	-	287	1,381	1,381	-
DOC 15154-SC-PY12	191	-	191	287	287	-
DOC WYS 15523	-	63,989	63,989	191	191	-
DOC 15752 WASFY 14	2,771	-	2,771	-	63,989	-
DOC 15761 SC-FY 14	15,665	-	15,665	2,771	2,771	-
DHS AAA Administration	-	16,511	16,511	15,665	15,665	-
DHS Living Choices	-	128	128	-	16,511	-
					128	-
Total Federal Financial Assistance Funds	35,954	125,283	161,237	35,954	161,237	-

Association of South Central Oklahoma Governments

Combining Balance Sheet
Grants Comprising Special Revenue Funds
June 30, 2014

	Assets		Total Assets	Liabilities		Total Liabilities	Net Assets
	Due from General	Due from Others		Deferred Revenue	Due to General		
State Financial Assistance Funds							
DOC 15312 SS 14	-	-	-	-	-	-	-
DOC 15532 CENA 14	-	28,635	28,635	-	28,635	28,635	-
DOC 15569 REAP 14	-	34,867	34,867	-	34,867	34,867	-
DOC 15569 REAP 14	997,455	-	997,455	997,455	-	997,455	-
DOC 15281 REAP 13	428,816	-	428,816	428,816	-	428,816	-
DOC 14770 REAP 12	267,626	-	267,626	267,626	-	267,626	-
DOC 14448 REAP 11	207,132	-	207,132	207,132	-	207,132	-
DOC 13906 REAP 10	25,003	-	25,003	25,003	-	25,003	-
DOA Rural Fire Defense	-	7,917	7,917	-	7,917	7,917	-
DHS AAA Administration	-	2,890	2,890	-	2,890	2,890	-
DOI Senior Health Ins. Counselling	-	3,013	3,013	-	3,013	3,013	-
Total State Financial Assistance Funds	1,926,032	77,322	2,003,354	1,926,032	77,322	2,003,354	-
Total Special Revenue Funds	\$ 1,961,986	202,605	2,164,591	1,961,986	202,605	2,164,591	\$ -

Association of South Central Oklahoma Governments

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Grants Comprising Special Revenue Funds
June 30, 2014

	Revenues			Expenditures				Net Revenues	
	Federal Grants	State Grants	Other Revenue	Total Revenue	Salaries	Fringe Benefits	Overhead	Other Costs	Total Expense
Federal Financial Assistance Funds									
DOC Planning Organizations	\$ 29,923	-	12,824	42,747	16,886	13,060	7,777	5,024	42,747
DOC Planning Organizations	30,592	-	13,111	43,703	12,584	8,784	7,634	14,701	43,703
DOL SCEP 95843	95,820	-	15,165	110,985	77,563	6,038	4,699	22,685	110,985
DOL SCEP 95862	45,885	-	-	45,885	38,164	1,771	2,049	3,901	45,885
DOL SCEP 95863	139,851	-	17,199	157,050	114,028	6,352	6,099	30,571	157,050
DOL SCEP 95832	605	-	-	605	292	159	155	(1)	605
DOL SCEP 95833	128,465	-	17,199	145,664	104,789	7,277	5,956	27,642	145,664
DOL Trade Adj. Asst.	17,430	-	-	17,430	-	-	-	17,430	17,430
DOL SWODA Svc. Provider	86,267	-	-	86,267	38,729	27,039	15,067	5,432	86,267
DOL SCSEP 15761	219,335	-	-	219,335	66,083	47,098	37,870	68,284	219,335
DOL WASY 15362	155,864	-	-	155,864	41,009	26,806	20,338	67,711	155,864
DOL WASY 15752	292,230	-	-	292,230	73,423	51,261	47,588	119,958	292,230
DOL WAS 15536	10,652	-	-	10,652	3,814	2,388	2,142	2,308	10,652
DOL WYS 15058	44,220	-	-	44,220	-	-	8,610	35,610	44,220
DOL WYS Incentive 15419	4,994	-	-	4,994	-	-	715	4,279	4,994
DOL WYS 15523	383,989	-	-	383,989	2,798	-	63,381	317,810	383,989
DOL WDFWY 15352	144,967	-	-	144,967	34,352	23,021	16,269	71,325	144,967
DOL SOIC Pilot Project	25,509	-	-	25,509	-	-	4,013	21,496	25,509
DOL WDW 15822	30,815	-	-	30,815	2,123	1,795	5,593	21,304	30,815
DOL WDW 15823	1,712	-	-	1,712	-	-	351	1,361	1,712
DOL WDW 15544	30,667	-	-	30,667	8,573	6,061	4,988	11,045	30,667
DOL BRAC 15456	38,428	-	-	38,428	-	-	-	38,428	38,428
DHS Title III B	237,860	41,975	-	279,835	-	-	2,213	277,622	279,835
DHS Title III C1	332,246	496,350	152,016	980,612	-	-	5,797	974,815	980,612
DHS Title III C2	140,883	158,496	110,917	410,296	-	-	1,188	409,108	410,296
DHS NSIP	221,280	-	-	221,280	-	-	-	221,280	221,280
DHS AAA Administration	132,202	175,775	20,269	328,246	118,277	82,563	58,369	69,037	328,246
DHS Title III D	10,818	1,909	-	12,727	-	-	-	12,727	12,727
DHS Title III E	100,383	33,461	-	133,844	-	-	-	133,844	133,844
DHS Living Choices	129	-	-	129	-	-	-	129	129
Total Federal Financial Assistance Funds	3,134,021	907,966	358,700	4,400,687	753,487	311,473	328,861	3,006,866	4,400,687

Association of South Central Oklahoma Governments

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Grants Comprising Special Revenue Funds
June 30, 2014

	Revenues		Expenditures				Net Revenues		
	Federal Grants	State Grants	Other Revenue	Total Revenue	Salaries	Fringe Benefits	Overhead	Other Costs	Total Expense
State Financial Assistance Funds									
DOC State Appropriation 15312 SS 14	-	36,364	-	36,364	12,238	8,848	5,681	9,597	36,364
DOC 15532 CENA 14	-	230,951	-	230,951	4,571	3,192	1,863	221,325	230,951
DOC 15569 REAP 14	-	222,379	-	222,379	-	-	-	222,379	222,379
DOC 15281 REAP 13	-	342,271	-	342,271	-	-	-	342,271	342,271
DOC 14770 REAP 12	-	128,915	-	128,915	-	-	-	128,915	128,915
DOC 14448 REAP 11	-	106,437	-	106,437	-	-	-	106,437	106,437
DOC 13906 REAP 10	-	116,562	-	116,562	-	-	-	116,562	116,562
DOC 1569 REAP 7	-	18,098	-	18,098	-	-	-	18,098	18,098
DOA Rural Fire Defense	-	70,000	-	70,000	30,735	22,687	12,028	4,550	70,000
DOI Senior Health Ins. Counselling	-	8,064	-	8,064	3,283	2,331	1,476	974	8,064
Total State Financial Assistance Funds	-	<u>1,280,041</u>	-	<u>1,280,041</u>	<u>50,827</u>	<u>37,058</u>	<u>21,048</u>	<u>1,171,108</u>	<u>1,280,041</u>
Total Special Revenue Funds	<u>\$ 3,134,021</u>	<u>2,188,007</u>	<u>358,700</u>	<u>5,680,728</u>	<u>804,314</u>	<u>348,531</u>	<u>349,909</u>	<u>4,177,974</u>	<u>\$ 5,680,728</u>

Association of South Central Oklahoma Governments

US Department of Commerce - Planning Organizations 4005
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 180,000	150,077	29,923	180,000	\$ -
Local	77,143	64,319	12,824	77,143	-
Total	<u>257,143</u>	<u>214,396</u>	<u>42,747</u>	<u>257,143</u>	<u>-</u>
<u>Expenditures</u>					
Salaries	111,045	84,885	16,886	101,771	9,274
Fringe Benefits	80,141	59,856	13,060	72,916	7,225
Overhead	31,533	29,244	7,777	37,021	(5,488)
Other Costs	34,424	40,411	5,024	45,435	(11,011)
Total Expenditures	<u>257,143</u>	<u>214,396</u>	<u>42,747</u>	<u>257,143</u>	<u>-</u>
Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(1) Budget Period 1/1/14-12/31/16

Association of South Central Oklahoma Governments

US Department of Commerce - Planning Organizations
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 180,000	-	30,593	30,593	\$ 149,407
Local	77,143	-	13,111	13,111	64,032
Total	<u>257,143</u>	<u>-</u>	<u>43,704</u>	<u>43,704</u>	<u>213,439</u>
<u>Expenditures</u>					
Salaries	111,045	-	12,584	12,584	98,461
Fringe Benefits	80,141	-	8,784	8,784	71,357
Overhead	31,533	-	7,634	7,634	23,899
Other Costs	34,424	-	14,702	14,702	19,722
Total Expenditures	<u>257,143</u>	<u>-</u>	<u>43,704</u>	<u>43,704</u>	<u>213,439</u>
Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(1) Budget Period 1/1/14-12/31/16

Association of South Central Oklahoma Governments

U.S. Department of Labor OESC - Grant No.95843-2-SW-PY13-SCSEP
 Senior Community Employment Program
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
Revenue					
Federal	\$ 128,406	-	95,820	95,820	\$ 32,586
Internal	15,165	-	15,165	15,165	-
Total	<u>143,571</u>	<u>-</u>	<u>110,985</u>	<u>110,985</u>	<u>32,586</u>
Expenditures					
Salaries	102,872	-	77,563	77,563	25,309
Fringe Benefits	7,992	-	6,038	6,038	1,954
Overhead	4,647	-	4,699	4,699	(52)
Other Costs	28,060	-	22,685	22,685	5,375
Total Expenditures	<u>143,571</u>	<u>-</u>	<u>110,985</u>	<u>110,985</u>	<u>32,586</u>
Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(1) Budget Period 01/01/14-06/30/14

Association of South Central Oklahoma Governments

U.S. Department of Labor OESC - Grant No.95862-CL-PY12 SCSEP
 Senior Community Employment Program
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
Revenue					
Federal	\$ 176,997	113,930	45,884	159,814	\$ 17,183
Internal	20,486	20,486	-	20,486	-
Total	197,483	134,416	45,884	180,300	17,183
Expenditures					
Salaries	134,128	88,781	38,164	126,945	7,183
Fringe Benefits	11,472	8,466	1,771	10,237	1,235
Overhead	9,497	5,758	2,049	7,807	1,690
Other Costs	42,386	31,411	3,900	35,311	7,075
Total Expenditures	197,483	134,416	45,884	180,300	17,183
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/1/12-9/30/13

Association of South Central Oklahoma Governments

U.S. Department of Labor OESC - Grant No.95863-CL-PY13 SCSEP
 Senior Community Employment Program
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
Revenue					
Federal	\$ 145,180	-	139,852	139,852	\$ 5,328
Internal	17,199	-	17,199	17,199	-
Total	<u>162,379</u>	<u>-</u>	<u>157,051</u>	<u>157,051</u>	<u>5,328</u>
Expenditures					
Salaries	105,133	-	114,028	114,028	(8,895)
Fringe Benefits	7,489	-	6,352	6,352	1,137
Overhead	6,922	-	6,099	6,099	823
Other Costs	42,835	-	30,572	30,572	12,263
Total Expenditures	<u>162,379</u>	<u>-</u>	<u>157,051</u>	<u>157,051</u>	<u>5,328</u>
Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(1) Budget Period 7/1/13-9/30/14

Association of South Central Oklahoma Governments

U.S. Department of Labor OESC - Grant No. 95832-SC-PY12-SCSEP
 Senior Community Employment Program
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 149,050	148,446	604	149,050	\$ -
Internal	17,251	17,251	-	17,251	-
Total	<u>166,301</u>	<u>165,697</u>	<u>604</u>	<u>166,301</u>	<u>-</u>
<u>Expenditures</u>					
Salaries	119,080	120,300	292	120,592	(1,512)
Fringe Benefits	11,031	8,979	159	9,138	1,893
Overhead	8,005	6,337	155	6,492	1,513
Other Costs	28,185	30,081	(2)	30,079	(1,894)
Total Expenditures	<u>166,301</u>	<u>165,697</u>	<u>604</u>	<u>166,301</u>	<u>-</u>
Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(1) Budget Period 7/01/12-9/30/13

Association of South Central Oklahoma Governments

U.S. Department of Labor OESC - Grant No. 95833-SC-PY13-SCSEP
 Senior Community Employment Program
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
Revenue					
Federal	\$ 145,180	-	128,466	128,466	\$ 16,714
Internal	17,199	-	17,199	17,199	-
Total	<u>162,379</u>	<u>-</u>	<u>145,665</u>	<u>145,665</u>	<u>16,714</u>
Expenditures					
Salaries	108,136	-	104,789	104,789	3,347
Fringe Benefits	9,657	-	7,277	7,277	2,380
Overhead	6,922	-	5,956	5,956	966
Other Costs	37,664	-	27,643	27,643	10,021
Total Expenditures	<u>162,379</u>	<u>-</u>	<u>145,665</u>	<u>145,665</u>	<u>16,714</u>
Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(1) Budget Period 7/01/13-9/30/14

Association of South Central Oklahoma Governments

U.S. Department of Labor - Trade Adjustment Assistance
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 3,826,378	2,071,033	17,430	2,088,463	\$ 1,737,915
<u>Expenditures</u>					
Tuition	3,646,378	2,071,033	17,430	2,088,463	1,557,915
Unallocated Budget	180,000	-	-	-	180,000
Total Expenditures	3,826,378	2,071,033	17,430	2,088,463	1,737,915
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/1/95-9/30/15

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 20123 SWODA Service Provider
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 208,259	-	86,266	86,266	\$ 121,993
<u>Expenditures</u>					
Salaries	65,606	-	38,729	38,729	26,877
Fringe Benefits	47,469	-	27,039	27,039	20,430
Overhead	34,978	-	15,067	15,067	19,911
Other Expenses	60,206	-	5,431	5,431	54,775
Total Expenditures	208,259	-	86,266	86,266	121,993
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/1/13-6/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 15761-SC-FY-14-WDW
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 323,163	-	219,335	219,335	\$ 103,828
<u>Expenditures</u>					
Salaries	31,471	-	66,083	66,083	(34,612)
Fringe Benefits	22,713	-	47,098	47,098	(24,385)
Overhead	-	-	37,870	37,870	(37,870)
Other Costs	268,979	-	68,284	68,284	200,695
Total Expenditures	323,163	-	219,335	219,335	103,828
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 10/01/13-06/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 15362-SC-FY13-WASFY
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 414,643	258,779	155,864	414,643	\$ -
<u>Expenditures</u>					
Salaries	4,185,703	74,210	41,009	115,219	4,070,484
Fringe Benefits	3,017,574	51,527	26,806	78,333	2,939,241
Overhead	48,284	38,454	20,338	58,792	(10,508)
Other Costs	(6,836,918)	94,588	67,711	162,299	(6,999,217)
Total Expenditures	414,643	258,779	155,864	414,643	-
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 10/1/12-06/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 15752-SC-FY14-WASFY 14
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 411,336	-	292,230	292,230	\$ 119,106
<u>Expenditures</u>					
Salaries	18,403,407	-	73,423	73,423	18,329,984
Fringe Benefits	13,281,739	-	51,261	51,261	13,230,478
Overhead	-	-	47,588	47,588	(47,588)
Unallocated Expenses	(31,273,810)	-	119,958	119,958	(31,393,768)
Total Expenditures	411,336	-	292,230	292,230	119,106
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 10/3/13-6/30/15

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 15536WAS 13
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 10,652	-	10,652	10,652	\$ -
<u>Expenditures</u>					
Salaries	-	-	3,814	3,814	(3,814)
Fringe Benefits	-	-	2,388	2,388	(2,388)
Overhead	-	-	2,142	2,142	(2,142)
Other Costs	10,652	-	2,308	2,308	8,344
Total Expenditures	10,652	-	10,652	10,652	-
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/1/13-6/30/15

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 15058-SC-PY 12-WYS
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 483,405	438,495	44,219	482,714	\$ 691
<u>Expenditures</u>					
Salaries	12,389	16,963	-	16,963	(4,574)
Fringe Benefits	6,630	10,107	-	10,107	(3,477)
Overhead	88,891	63,159	8,610	71,769	17,122
Other Costs	375,495	348,266	35,609	383,875	(8,380)
Total Expenditures	483,405	438,495	44,219	482,714	691
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 4/1/12-6/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce- Grant No. 15419-WYS12-INCENTIVE
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 8,051	3,057	4,994	8,051	\$ -
<u>Expenditures</u>					
Overhead	-	478	715	1,193	(1,193)
Other Expenses	8,051	2,579	4,279	6,858	1,193
Total Expenditures	8,051	3,057	4,994	8,051	-
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 4/1/12-6/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 15523-SC-PY13-WYS
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 433,142	-	383,989	383,989	\$ 49,153
<u>Expenditures</u>					
Salaries	14,952	-	2,798	2,798	12,154
Fringe	8,110	-	-	-	8,110
Overhead	13,730	-	63,381	63,381	(49,651)
Other Cost	396,350	-	317,810	317,810	78,540
Total Expenditures	433,142	-	383,989	383,989	49,153
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 4/01/13-6/30/15

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 15352-SC-FY13-WDFWY
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 371,489	226,522	144,967	371,489	\$ -
<u>Expenditures</u>					
Salaries	4,252,733	54,336	34,352	88,688	4,164,045
Fringe Benefits	3,068,353	39,283	23,021	62,304	3,006,049
Overhead	42,074	33,483	16,269	49,752	(7,678)
Other Costs	(6,991,671)	99,420	71,325	170,745	(7,162,416)
Total Expenditures	371,489	226,522	144,967	371,489	-
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 10/1/12-6/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - SOIC Pilot Project
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 109,780	61,041	25,509	86,550	\$ 23,230
<u>Expenditures</u>					
Overhead	17,155	8,959	4,013	12,972	4,183
Other Costs	92,625	52,082	21,496	73,578	19,047
Total Expenditures	109,780	61,041	25,509	86,550	23,230
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 3/30/12-3/26/13

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 15822-SC-FY-12-WDW
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 30,815	-	30,815	30,815	\$ -
<u>Expenditures</u>					
Salaries	2,123	-	2,123	2,123	-
Fringe Benefits	1,532	-	1,795	1,795	(263)
Overhead	2,970	-	5,593	5,593	(2,623)
Other Costs	24,190	-	21,304	21,304	2,886
Total Expenditures	30,815	-	30,815	30,815	-
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 07/01/12-06/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 15823-SC-FY-12-WDW
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 1,712	-	1,712	1,712	\$ -
<u>Expenditures</u>					
Overhead	-	-	351	351	(351)
Other Costs	1,712	-	1,361	1,361	351
Total Expenditures	1,712	-	1,712	1,712	-
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/01/12-06/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 15544-SC-FY-13-WDW
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 30,667	-	30,667	30,667	\$ -
<u>Expenditures</u>					
Salaries	971	-	8,573	8,573	(7,602)
Fringe Benefits	701	-	6,061	6,061	(5,360)
Overhead	-	-	4,988	4,988	(4,988)
Other Costs	28,995	-	11,045	11,045	17,950
Total Expenditures	30,667	-	30,667	30,667	-
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 07/01/13-06/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce Grant No - 15456 Brac 11
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 38,428	-	38,428	38,428	\$ -
<u>Expenditures</u>					
Other Cost	38,428	-	38,428	38,428	-
Total Expenditures	38,428	-	38,428	38,428	-
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 3/10/13-12/3/13

Association of South Central Oklahoma Governments

OK Department of Human Services -Title III B
 Grants for Supportive Services and Senior Centers
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
Revenue					
Federal	\$ 260,945	-	237,860	237,860	\$ 23,085
State	46,049	-	41,975	41,975	4,074
Internal	-	-	-	-	-
Total	<u>306,994</u>	<u>-</u>	<u>279,835</u>	<u>279,835</u>	<u>27,159</u>
Expenditures					
Salaries	1,250	-	-	-	1,250
Fringe	902	-	-	-	902
Overhead	407	-	2,213	2,213	(1,806)
Other and unallocated	<u>304,435</u>	<u>-</u>	<u>277,622</u>	<u>277,622</u>	<u>26,813</u>
Total Expenditures	<u>306,994</u>	<u>-</u>	<u>279,835</u>	<u>279,835</u>	<u>27,159</u>
Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(1) Budget Period 7/1/13-6/30/14

Association of South Central Oklahoma Governments

OK Department of Human Services - Title III C1
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
Revenue					
Federal	\$ 339,305	-	332,246	332,246	\$ 7,059
State	666,129	-	496,350	496,350	169,779
Local	180,203	-	152,016	152,016	28,187
Total	<u>1,185,637</u>	<u>-</u>	<u>980,612</u>	<u>980,612</u>	<u>205,025</u>
Expenditures					
Overhead	5,327	-	5,797	5,797	(470)
Contract	28,187	-	-	-	-
Pass Through	1,152,123	-	974,815	974,815	-
Unallocated Budget	-	-	-	-	-
Total Expenditures	<u>1,185,637</u>	<u>-</u>	<u>980,612</u>	<u>980,612</u>	<u>(470)</u>
Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(1) Budget Period 7/1/13-6/30/14

Association of South Central Oklahoma Governments

OK Department of Human Services Title III C2
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 163,109	-	140,883	140,883	\$ 22,226
State	216,844	-	158,496	158,496	58,348
Local	140,625	-	110,917	110,917	29,708
Total	<u>520,578</u>	<u>-</u>	<u>410,296</u>	<u>410,296</u>	<u>110,282</u>
<u>Expenditures</u>					
Overhead	1,595	-	1,188	1,188	407
Contract	8,438	-	-	-	8,438
Pass Through	510,545	-	409,108	409,108	101,437
Unallocated Budget	-	-	-	-	-
Total Expenditures	<u>520,578</u>	<u>-</u>	<u>410,296</u>	<u>410,296</u>	<u>110,282</u>
Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(1) Budget Period 7/1/13-6/30/14

Association of South Central Oklahoma Governments

OK Department of Human Services - NSIP
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 267,834	-	221,280	221,280	\$ 46,554
<u>Expenditures</u>					
AAA Pass Through	267,834	-	221,280	221,280	46,554
Unallocated Budget	-	-	-	-	-
Total Expenditures	267,834	-	221,280	221,280	46,554
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/1/12-6/30/13

Association of South Central Oklahoma Governments

Oklahoma Department of Human Services - AAA Administration
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
Revenue					
Federal	\$ 133,823	-	132,202	132,202	\$ 1,621
State	176,099	-	175,775	175,775	324
Local	20,266	-	20,269	20,269	(3)
Total	<u>330,188</u>	<u>-</u>	<u>328,246</u>	<u>328,246</u>	<u>1,942</u>
Expenditures					
Salaries	117,339	-	118,277	118,277	(938)
Fringe Benefits	84,684	-	82,563	82,563	2,121
Overhead	52,485	-	58,369	58,369	(5,884)
Other Cost	75,680	-	69,037	69,037	6,643
Total Expenditures	<u>330,188</u>	<u>-</u>	<u>328,246</u>	<u>328,246</u>	<u>1,942</u>
Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(1) Budget Period 7/1/13-6/30/14

Association of South Central Oklahoma Governments

OK Department of Human Services - Title III D
 U.S. Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
Revenue					
Federal	\$ 18,101	-	10,818	10,818	\$ 7,283
State	3,691	-	1,909	1,909	1,782
Total	<u>21,792</u>	<u>-</u>	<u>12,727</u>	<u>12,727</u>	<u>9,065</u>
Expenditures					
Pass Through	20,219	-	12,727	12,727	7,492
Unallocated Budget	1,573	-	-	-	1,573
Total Expenditures	<u>21,792</u>	<u>-</u>	<u>12,727</u>	<u>12,727</u>	<u>9,065</u>
Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(1) Budget Period 7/1/13-6/30/14

Association of South Central Oklahoma Governments

OK Department of Human Services - Title III E
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
Revenue					
Federal	\$ 116,143	-	100,383	100,383	\$ 15,760
State	40,915	-	33,461	33,461	7,454
Local	-	-	-	-	-
Total	<u>157,058</u>	<u>-</u>	<u>133,844</u>	<u>133,844</u>	<u>23,214</u>
Expenditures					
Pass Through	151,330	-	133,844	133,844	17,486
Unallocated Budget	5,728	-	-	-	5,728
Total Expenditures	<u>157,058</u>	<u>-</u>	<u>133,844</u>	<u>133,844</u>	<u>23,214</u>
Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(1) Budget Period 7/1/13-6/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Human Services - Living Choices
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
Federal	\$ 3,506	-	129	129	\$ 3,377
<u>Expenditures</u>					
Other Costs	3,506	-	129	129	3,377
Unallocated Budget	-	-	-	-	-
Total Expenditures	3,506	-	129	129	3,377
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/01/13-6/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 15312 SS 14
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
State	\$ 36,364	36,364	36,364	36,364	\$ -
<u>Expenditures</u>					
Salaries	12,234	12,238	12,238	11,693	541
Fringe Benefits	8,829	8,848	8,848	8,164	665
Overhead	5,780	5,681	5,681	6,351	(571)
Other Costs	9,521	9,597	9,597	10,156	(635)
Total Expenditures	36,364	36,364	36,364	36,364	-
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/1/13-6/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 15532 CENA 14
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
State	\$ 230,951	-	230,951	230,951	\$ -
<u>Expenditures</u>					
Salaries	4,907	-	4,571	4,571	336
Fringe Benefits	3,541	-	3,192	3,192	349
Overhead	1,835	-	1,863	1,863	(28)
Other Costs	220,668	-	221,325	221,325	(657)
Total Expenditures	230,951	-	230,951	230,951	-
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/1/13-6/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 15569 REAP 14
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
State	\$ 1,161,024	-	222,379	222,379	\$ 938,645
<u>Expenditures</u>					
Other Costs and passthrough	1,161,024	-	222,379	222,379	938,645
Total Expenditures	1,161,024	-	222,379	222,379	938,645
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/1/13-6/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 15281 REAP 13
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
State	\$ 1,209,590	378,972	342,271	721,243	\$ 488,347
<u>Expenditures</u>					
Salaries	25,587	20,710	-	20,710	4,877
Fringe Benefits	-	14,973	-	14,973	(14,973)
Overhead	8,856	9,008	-	9,008	(152)
Other Costs	1,175,147	334,281	342,271	676,552	498,595
Total Expenditures	1,209,590	378,972	342,271	721,243	488,347
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/1/12-6/30/16

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 14770 REAP 12
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	<u>(1) Budget</u>	<u>Cumulative 6/30/2013</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>					
State	\$ 1,101,101	758,019	128,915	886,934	\$ 214,167
<u>Expenditures</u>					
REAP Pass Through	1,101,101	758,019	128,915	886,934	214,167
Total Expenditures	1,101,101	758,019	128,915	886,934	214,167
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/1/11-6/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 14448 REAP 11
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
State	\$ 1,223,846	909,317	106,436	1,015,753	\$ 208,093
<u>Expenditures</u>					
REAP Pass Through	1,223,846	909,317	106,436	1,015,753	208,093
Total Expenditures	1,223,846	909,317	106,436	1,015,753	208,093
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/1/10-6/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 13906 REAP 10
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
State	\$ 1,432,817	1,266,545	116,562	1,383,107	\$ 49,710
<u>Expenditures</u>					
REAP Pass Through	1,432,817	1,266,545	116,562	1,383,107	49,710
Total Expenditures	1,432,817	1,266,545	116,562	1,383,107	49,710
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/1/9-6/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Commerce - Grant No. 1569 REAP 7
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	<u>(1) Budget</u>	<u>Cumulative 6/30/2013</u>	<u>Current Year</u>	<u>Total</u>	<u>(Over) Under Budget</u>
<u>Revenue</u>					
State	\$ 1,593,470	1,573,176	18,098	1,591,274	\$ 2,196
<u>Expenditures</u>					
REAP Pass Through	1,593,470	1,573,176	18,098	1,591,274	2,196
Total Expenditures	1,593,470	1,573,176	18,098	1,591,274	2,196
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/1/9-6/30/14

Association of South Central Oklahoma Governments
 Oklahoma Department of Agriculture - Rural Fire Defense
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
State	\$ 70,000	-	70,000	70,000	\$ -
<u>Expenditures</u>					
Salaries	32,059	-	30,735	30,735	1,324
Fringe Benefits	23,137	-	22,687	22,687	450
Overhead	11,128	-	12,028	12,028	(900)
Other Costs	3,676	-	4,550	4,550	(874)
Total Expenditures	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Revenue Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

(1) Budget Period 7/1/13-6/30/14

Association of South Central Oklahoma Governments

Oklahoma Department of Insurance - Senior Health Insurance Counselling
 Revenue and Expenditures Compared with Budget
 Year Ended June 30, 2014

	(1) Budget	Cumulative 6/30/2013	Current Year	Total	(Over) Under Budget
<u>Revenue</u>					
State	\$ 8,550	-	8,063	8,063	\$ 487
<u>Expenditures</u>					
Salaries	-	-	3,283	3,283	(3,283)
Fringe Benefits	-	-	2,331	2,331	(2,331)
Overhead	-	-	1,476	1,476	(1,476)
Other Costs	8,550	-	973	973	7,577
Total Expenditures	8,550	-	8,063	8,063	487
Revenue Over (Under) Expenditures	\$ -	-	-	-	\$ -

(1) Budget Period 7/1/13-6/30/14



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 Trustees
Association of South Central Oklahoma Governments

We have audited, in accordance with the 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 of the governmental activities, the business-type activities, and the aggregate remaining fund information of Association of South Central Oklahoma Governments (ASCOG), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise ASCOG's basic financial statements and have issued our report thereon dated May 28, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered ASCOG'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 ASCOG's internal control over financial reporting. Accordingly, we do not express an opinion of the effectiveness of ASCOG's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 significant deficiencies, or material weaknesses. Given these limitations, during

our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies as described in item 2014-001 in the Schedule of and Findings and Responses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ASCOG's financial statements are free of material misstatements, 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 statements 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*.

ASCOG's Response to Finding

ASCOG'S response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Their response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Duncan, Oklahoma
May 28, 2015

SCHEDULE OF FINDINGS AND RESPONSES

Association of South Central Oklahoma Governments

Findings required to be Reported by *Government Auditing Standards*

FINDING 2014-001

Criteria: ASCOG should maintain a system of internal controls that ensures financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP) in a timely manner and that ensures ASCOG complies with applicable laws, regulations, contracts and grant agreements.

Condition: ASCOG was unable to produce financial statements for the year ended June 30, 2014 in accordance with U.S. GAAP in a timely manner.

Cause: The cause of the delay was a result of two issues. ASCOG has been using accounting software which required significant user intervention in order to make the journals and program reporting modules to agree to the general ledger module. In previous years, this issue was corrected by an experienced Chief Financial Officer. During the year under audit, there were personnel changes in which the Chief Financial Officer did not have the background knowledge required to perform these functions.

Effect: The inability to ensure appropriate resources for internal controls and oversight had the following significant effects:

- Working trial balances and reports required for financial statement preparation were not available at the specified target date of October 1, 2014 and were completed in the first quarter of 2015.
- Grant Status Reports had processing errors and because of such, did not agree to general ledger reports. Reports were not adequate for reviewing status of grants for some grants.

Recommendation: ASCOG's management should be proactive in cross training personnel so a loss of a key person would not handicap the financial reporting function. This includes producing not only accurate and timely annual financial reports, but also monthly reports that can enable the governing body to exercise appropriate oversight of the financial activities in a timely manner. Also, so program administrators can provide appropriate oversight of program activities.

Views of a Responsible Official

ASCOG's management and Board of Trustees recognize and acknowledge the necessity for internal control over financial reporting as a basis for operations as well as for auditing procedures. ASCOG has always received Unqualified Audit Opinions and promptly provided copies of the audit appropriately.

Extensive personnel changes in our Resource Management Division prevented a timely audit this past fiscal year (2014-2015). Of the 4 employees in that division (including the director), the 3 with a minimum of 20 years' experience either took a planned retired or took another job making more money within a few months. The remaining member had less than 6 months experience leaving the division with all new personnel unfamiliar with the proprietary software used for accounting, and with limited documentation on how to properly utilize the software to produce the outcome reports required for the audit.

Management quickly responded to this sudden, (and for the most part) unexpected departure of long-time employees in the resource management division. ASCOG engaged an independent CPA with several years of government accounting to assist in preparing documentation for the audit. Her efforts were somewhat limited due to unfamiliarity with the software program that ASCOG has used for about twenty years. ASCOG paid the software provider to send their staff members to come and provide fast track training on the software particularly as it pertains to developing internal control structures, processes and oversight that would produce timely reconciliation of accounts, proper monitoring of revenues and expenditures, and timely preparation of annual financial statements.

While the exodus of personnel created a temporary crisis, it also necessitated the creation of an environment where members of the resource management division are more fully cross-trained, better educated, and better prepared to ensure this deficiency does not recur. They have survived their trial by fire and are working diligently together with amazing results. Management is further evaluating the software to ensure that the best software solution for the organization's needs (within its budgetary capacity) is provided. Management, staff and the Board of Trustees are committed to full compliance and have no reservation the next audit will be completed and submitted correctly and promptly.

Association of South Central Oklahoma Governments

Schedule of Expenditures of Federal Awards
Year ended June 30, 2014

Federal Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor Number	Grant Period	Program Award Amount	Disbursements Expenditures Recognized
U.S. Department of Commerce Economic Development Administration Economic Development Support for Planning Organizations	11.302	08-83-04669	1/1/14-12/31/16	\$ 180,000	29,923
Planning Organizations	11.302	08-83-04669	1/1/14-12/31/16	\$ 180,000	30,592
Subtotal 11.302				360,000	60,515
Total USDOC				360,000	60,515
U.S. Department of Labor Oklahoma Employment Security Commission					
Senior Community Employment Program	17.235	95843-CL-PY12-SCSEP	1/1/14-6/30/14	128,406	95,820
Senior Community Employment Program	17.235	95862-CL-PY12-SCSEP	7/1/12-9/30/13	176,997	45,885
Senior Community Employment Program	17.235	95863-CL-PY12-SCSEP	7/1/13-9/30/14	145,180	139,851
Senior Community Employment Program	17.235	95832-SC-PY12-SCSEP	7/1/12-9/30/13	149,050	605
Senior Community Employment Program	17.235	95833-SC-PY12-SCSEP	7/1/13-9/30/14	149,050	128,465
Subtotal 17.235				443,280	410,626
Trade Adjustment Assistance	17.245	170-002	7/1/95-6/30/14	3,826,378	17,430
Subtotal 17.245				3,826,378	17,430
Oklahoma Department of Commerce					
WIA Adult Program	17.258	SWODA service provider contract	7/1/13-6/30/14	50,456	47,479
WIA Adult Program	17.258	15362-SC-FY13-WASFY	10/1/12-6/30/14	414,643	155,864
WIA Adult Program	17.258	15752-SC-FY14-WASY 14	10/1/13-6/30/15	411,336	292,229
WIA Adult Program	17.258	15536WAS 13	7/1/13-6/30/15	10,652	10,652
Subtotal 17.258				887,087	506,224

Association of South Central Oklahoma Governments

Schedule of Expenditures of Federal Awards
Year ended June 30, 2014

<u>Federal Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Grant Period</u>	<u>Program Award Amount</u>	<u>Disbursements Expenditures Recognized</u>
WIA Youth Activities	17.259	15058-SC-PY12-WYS	4/1/12-6/30/14	483,405	44,220
WIA Youth Activities	17.259	15419-WYS12-INCENTIVE	4/1/12-6/30/14	8,051	4,994
WIA Youth Activities	17.259	15523-SC-PY13-WYS	4/1/13-6/30/15	433,142	383,989
Subtotal 17.259				<u>924,598</u>	<u>433,203</u>
WIA Dislocated Workers	17.278	15352-SC-FY13-WDWFY	10/1/12-6/30/14	328,989	144,967
WIA Dislocated Workers SOIC Pilot Project	17.278		3/30/12-3/26/13	114,780	25,508
WIA Dislocated Workers	17.278	SWODA service provider contract 93448-SC-PY08-ARRA-DLW-13558	7/1/13-6/30/14	50,456	38,788
WIA Dislocated Workers	17.278	15761-SC-FY-14-WDW	10/1/13-6/30/14	323,163	219,335
WIA Dislocated Workers	17.278	15822-SC-FY-12-WDW	7/1/12-6/30/14	30,815	30,815
WIA Dislocated Workers	17.278	15823-SC-FY-12-WDW	7/1/12-6/30/14	1,712	1,712
WIA Dislocated Workers	17.278	15544-SC-FY-13-WDW	7/1/13-6/30/14	30,667	30,667
Heroes at Home/Military Spouse Initiative	17.275	15456 BRAC 11	3/10/13-12/3/13	38,428	38,428
WIA Dislocated Workers					
Subtotal 17.260				<u>919,010</u>	<u>530,220</u>
Cluster Total 17.258, 17.259, and 17.260				<u>2,730,695</u>	<u>1,469,647</u>
Total USDOL				<u>7,000,353</u>	<u>1,897,703</u>

Association of South Central Oklahoma Governments

Schedule of Expenditures of Federal Awards
Year ended June 30, 2014

Federal Pass-Through Grantor Program Title U.S. Department of Health and Human Ser Area Agency on Aging	Federal CFDA Number	Pass-Through Grantor Number	Grant Period	Program Award Amount	Disbursements Expenditures Recognized
Grants for Supportive Services Senior Ctr	93.044	Title III B	7/01/12-6/30/13	260,945	237,860
Subtotal				260,945	237,860
Nutrition Services	93.045	Title III C1	7/01/12-6/30/13	339,305	332,246
Nutrition Services	93.045	Title III C2	7/01/12-6/30/13	163,109	140,883
Subtotal				502,414	473,129
Nutrition Services Incentive Program	93.053	NSIP	7/01/12-6/30/13	267,834	221,280
Cluster Total				1,031,193	932,269
AAA Administration	93.041-93.052		7/01/12-6/30/13	133,823	132,202
Disease prevention and Health Promotion	93.043	Title III D	7/01/12-6/30/13	18,101	10,818
National Family Caregiver Support	93.052	Title III E	7/01/12-6/30/13	116,413	100,383
Medicare Improvements for Patients & Providers		Living Choices	7/01/13-6/30/14	3,506	129
Total USDHHS				1,303,036	1,175,801
Total Federal Awards				\$ 8,663,389	3,134,019

Association of South Central Oklahoma Governments

Notes to Schedule of Expenditure of Federal Awards
Year Ended June 30, 2014

Note 1 - Organization

The Association of South Central Oklahoma Governments, a Trust Authority, (the Authority) is a public trust organized under Title 60 of the Oklahoma statutes, and as a public trust of the State of Oklahoma is exempt from federal and state income taxes. The Authority was established to provide a cooperative association of local governments within an eight county area of South Central Oklahoma, under the Interlocal Cooperation Act, Title 74 of Oklahoma statutes, for the purposes of assisting local governments in planning for common needs, coordinating sound regional development, and administration of mutually beneficial programs.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Authority under programs of the federal government for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

Note 3 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 4 - Insurance Coverage

The federal programs are covered by the same insurance policies covering all activities of the Authority. Costs of this insurance is included in the overhead pool and allocated to all programs.

Note 5 - Loan Guarantees and Federal In-Kind Awards

There were no loans guarantees made with Federal Funds, nor Federal In-Kind proceeds received that were passed through to beneficiaries of the program(s).

Association of South Central Oklahoma Governments

Schedule of Expenditures of State Awards
Year Ended June 30, 2014

State Grantor Program Title	Contract Number	Contract Period	Audit Period	Contract Amount	Disbursements Expenditures Recognized
Oklahoma Department of Commerce					
State Appropriation	15312 SS 14	7/1/13-6/30/14		\$ 36,364	\$ 36,364
State Appropriation	15532 CENA 14	7/1/13-6/30/14		230,951	230,951
REAP	15569 REAP 14	7/1/13-6/30/16		1,153,247	222,379
REAP	15281 REAP 13	7/1/12-6/30/16		1,209,590	342,271
REAP	14770 REAP 12	7/1/11-6/30/14		1,154,560	128,915
REAP	14448 REAP 11	7/1/10-6/30/14		1,223,846	106,437
REAP	13906 REAP 10	7/1/09-6/30/14		1,432,817	116,562
REAP	13906 REAP 7	7/1/09-6/30/14		1,593,470	18,098
Total ODOC				8,034,845	1,201,977
Oklahoma Department of Agriculture					
Rural Fire Defense	PO	7/1/13-6/30/14		70,000	70,000
Oklahoma Department of Human Services					
Grants for Supp Serv & Senior Centers	Title III B	7/1/13-6/30/14		46,049	41,975
Nutrition Services	Title III C1	7/1/13-6/30/14		666,129	496,350
Nutrition Services	Title III C2	7/1/13-6/30/14		216,844	158,496
AAA Administration		7/1/13-6/30/14		176,099	175,775
Disease Prevention & Health Promotion	Title III D	7/1/13-6/30/14		3,691	1,910
National Family Caregiver Support	Title III E	7/1/13-6/30/14		40,915	33,461
Total DHS				1,149,727	907,967
Oklahoma Department Of Insurance					
Senior Health Insurance Counseling		7/1/13-6/30/14		8,063	8,063
Total Department of Insurance				8,063	8,063
Total State Financial Assistance				\$ 9,262,635	\$ 2,188,007



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR 1-133

To the Trustees
Association of South Central Oklahoma Governments

Report on Compliance for Each Major Federal Program

We have audited Association of South Central Oklahoma Governments' (Authority) 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 the Association for South Central Oklahoma Government's major federal programs for the year ended June 30, 2014. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

Opinion on Echo Major Federal Program

In our opinion, Association of South Central Oklahoma Governments 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, 2014.

Internal Control Over Compliance

Management of the Authority 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 the Authority'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 the Authority'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 requirements 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 for compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the

results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. This report is intended solely for the information and use of management, the Trustees, federal and state awarding agencies, and pass-through entities; it is not intended to be and should not be used by anyone other than these specified parties.


Duncan, Oklahoma
May 28, 2015

Association of South Central Oklahoma Governments

Schedule of Findings and Questioned Costs
June 30, 2014

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?	No
Significant deficiencies identified that are not considered to be material weakness(es)	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	Yes
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 section 510(a) of Circular A-133?	No
Identification of major programs:	

CFDA Numbers

Name of Federal Program or Cluster

WIA Workforce Cluster	
17.258	WIA Adult Programs
17.259	WIA Youth Activities
17.260	WIA Dislocated Workers
AAA Nutrition Cluster	
93.044	Supportive Services
93.045	Nutrition Services
93.053	Nutrition Services Incentive Cluster AAA Nutrition

Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	Yes

Section II - Summary of Auditor's Results

Certain issues arose with the data processing system, which combined with staff experience delayed the audit beyond the normal due date. This condition is considered a significant deficiency of internal control.