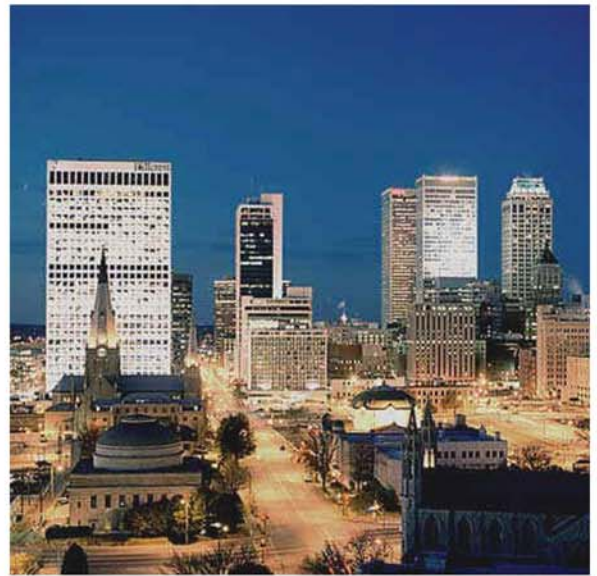


Report on Audit of Financial Statements June 30, 2013



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Indian Nations Council of Governments
Report on Audit of Financial Statements
June 30, 2013

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Ronald C. Cottrell, CPA

Independent Auditor's Report

Board of Directors
Indian Nations Council of Governments
Tulsa, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Indian Nations Council of Governments, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Indian Nations Council of Governments' basic financial statements as listed in the table of contents.

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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Indian Nations Council of Governments, as of June 30, 2013, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the managements' discussion and analysis and budgetary comparison information on pages 4-8 and 24-27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Indian Nations Council of Governments' basic financial statements. The combining financial statements, schedule of indirect costs, Enhanced 911 fund schedule of receipts and disbursements, and schedule of expenditures of state awards included under other supplemental information, and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining financial statements, schedule of indirect costs, Enhanced 911 fund schedule of receipts and disbursements, and schedule of expenditures of state awards included under other supplemental information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and schedule of expenditures of federal 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 *Government Auditing Standards*, we have also issued our report dated November 25, 2013, on our consideration of Indian Nations Council of 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering INCOG's internal control over financial reporting and compliance.

Ronald C. Cottrell, CPA

Ronald C. Cottrell, CPA

Kansas, Oklahoma

November 25, 2013

Required Supplementary Information

Indian Nations Council of Governments

Management's Discussion and Analysis

June 30, 2013

The following discussion and analysis of Indian Nations Council of Governments' (INCOG) financial performance provides an overview of INCOG's financial activities for the year ended June 30, 2013. Please read it in conjunction with INCOG's financial statements.

FINANCIAL HIGHLIGHTS

- ❖ The assets of Indian Nations Council of Governments exceeded its liabilities at the close of the year by \$ 576,988 (net position). Of this amount, \$ 372,650 (unrestricted net position) may be used to meet INCOG's ongoing obligations to members and creditors.
- ❖ As of the close of the current year the Indian Nations Council of Governments' governmental funds reported ending fund balance of \$ 1,408,158. Approximately \$ 1,358,175 is available for spending at the entity's discretion (unassigned fund balance).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Indian Nations Council of Governments' basic financial statements. INCOG's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

This discussion and analysis of Indian Nations Council of Governments' annual audited financial statements, is required by 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 the government during the fiscal year, along with comparative analysis of the entity's financial activities from prior years.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad view of Indian Nations Council of Governments' finances, in a manner similar to a private-sector business.

The Statement of Net Position

The statement of net position presents information on all of Indian Nations Council of Governments' assets and liabilities, with the difference between the two reported as net position. You can think of INCOG's net position as one way to measure its financial health, or financial position. Over time, increases or decreases in the entity's net position 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 INCOG.

The Statement of Activities

The statement of activities presents information showing how INCOG's net position 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. Thus, revenues and expenses are reported in

this statement for some items that will only result in cash flows in future fiscal periods (e.g., accounts receivable and earned but unused vacation leave).

The *Statement of Net Position* and the *Statement of Activities* normally include the financial activities of the entity divided into two types –

Governmental activities – All of INCOG’s basic services and programs are reported here, including general government, Area Agency on Aging, Transportation, Public Safety, Community and Economic Development, and Environmental and Energy. Contracts with members and other governmental entities, as well as state and federal grants finance most of these activities.

Business-type activities – Business-type activities normally include those activities which are funded predominantly by charges or fees to non-members (customers) for services and facilities to help cover all or a part of the cost of providing those services and maintaining facilities. INCOG does not have any business-type 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 Indian Nations Council of Governments, 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 Indian Nations Council of Governments can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds—Most of INCOG’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of INCOG’s general operations and the basic services it provides. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s short-term financial decisions. The *governmental fund balance sheet* and the *governmental fund statement of revenues, expenditures, and changes in fund balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

INCOG 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 balances. Analysis of some significant individual fund data for these governmental funds is provided later in this report.

Proprietary funds—Enterprise funds (a component of proprietary funds) are used to report the same functions presented as business-type activities in the government-wide financial statements. INCOG does not have any proprietary funds.

Fiduciary funds—Fiduciary funds are used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government’s own programs. INCOG acts as a fiduciary agent for the Enhanced 911 funds collected from wireless telephone providers and passed on to the local cities, towns, and counties providing the 911 services.

The Organization As A Whole

Net Position

As noted earlier, net position may serve over time as a useful indicator of Indian Nations Council of Governments' financial position. For the year ended June 30, 2013, INCOG's net position increased by \$ 275,045 (91%) to \$ 576,988. Net position increased due to savings in contracts and general operating expenses along with savings in salaries and benefits cost due to vacancies in staff positions.

Current assets (see Table 1) contain \$ 1,150,912 of Rural Economic Action Plan funds which have been awarded, but for which projects are not yet completed. Deferred revenues, related to these same REAP funds, of \$ 1,150,912 are shown (Table 1) in current liabilities. INCOG has recorded accrued liabilities for compensated absences earned, as well as its pension benefit and OPEB obligations which are reflected in long-term liabilities.

Table 1
Indian Nations Council of Governments Net Assets
June 30, 2013 and 2012

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Current assets	\$ 3,507,131	\$ 3,156,363
Capital and other	204,338	147,961
Total assets	<u>3,711,469</u>	<u>3,304,324</u>
Current liabilities	2,098,973	2,042,240
Long-term liabilities	<u>1,035,508</u>	<u>960,081</u>
Total liabilities	<u>3,134,481</u>	<u>3,002,321</u>
Net position:		
Net investment in capital assets	204,338	147,961
Restricted	-	-
Unrestricted	<u>372,650</u>	<u>153,982</u>
Total net assets	<u>\$ 576,988</u>	<u>\$ 301,943</u>

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, legislation, or other legal restrictions total \$ 372,650.

Governmental Activities

Total net position as of June 30, 2012 was \$ 301,943. For the year ended June 30, 2013, net position increased by \$ 275,045 to \$ 576,988. Table 2 illustrates the change in net position due to governmental activities. INCOG's four major governmental programs are displayed to provide additional detail for analysis.

The main cause for the increase in total net position is due to savings in contracts and general operating expenses along with savings in salaries and benefits cost due to vacancies in staff positions.

INCOG's Aging Services activities consist of several programs including, Area Agency on Aging, CENA, ADRC, MIPPA, and CDC. During the current year, approximately \$ 59,181 of

local funds were used to supplement the aging services programs. Federal aging grant funds of \$ 2,272,061 and state aging grant funds totaling \$ 1,232,882 were passed through to sub-recipients.

Transportation grants and contracts were used for planning projects and for pass-through to other entities for purchase for transportation equipment and vehicles and other associated costs. A total of \$ 675,191 in Federal grants were passed through to sub-recipients. Local funds totaling \$ 300,742 were used to supplement the transportation activities.

Public safety projects included Homeland Security grants, of which \$ 1,680,041 were passed through to sub-recipients, and a rural fire defense grant.

Community and economic development programs included projects administered by INCOG for member governments and REAP projects for which funds were passed-through to member entities. Local funds of \$ 905,041 were used to help supplement the costs of these projects and program activities.

Table 2
Indian Nations Council of Governments
Governmental Activities
June 30, 2013

	Governmental Activities					
	Aging Services	Transportation	Public Safety	Community & Economic Dev.	All Other Governmental	Total
Program revenues:						
Charges for services	\$ -	\$ -	\$ 140,704	\$ 501,234	\$ 232,920	\$ 874,858
Grants/contributions	4,251,812	1,959,642	1,789,338	1,548,210	105,706	9,654,708
General revenue	59,181	300,742	-	905,041	1,027,794	2,292,758
Total revenues	<u>4,310,993</u>	<u>2,260,384</u>	<u>1,930,042</u>	<u>2,954,485</u>	<u>1,366,420</u>	<u>12,822,324</u>
Expenses:						
Program expenses	<u>4,310,993</u>	<u>2,260,384</u>	<u>1,884,403</u>	<u>2,954,485</u>	<u>1,137,014</u>	<u>12,547,279</u>
Total expenses	<u>4,310,993</u>	<u>2,260,384</u>	<u>1,884,403</u>	<u>2,954,485</u>	<u>1,137,014</u>	<u>12,547,279</u>
Changes in net position:						
Net increase or (decrease)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,639</u>	<u>\$ -</u>	<u>\$ 229,406</u>	<u>\$ 275,045</u>

Fund Balance

The *Statement of Revenues, Expenses, and Changes in Fund Balance—Governmental Funds* shows INCOG's total governmental fund balance increased \$ 294,096 since last year primarily resulting from savings in contracts and general operating expenses along with savings in salaries and benefits cost due to vacancies in staff positions.

Budgetary Highlights

In accordance with GASB Statement No. 34, INCOG has presented, as required supplementary information, budget to actual comparison schedules for its general (local) fund, and major special revenue funds. While INCOG is not legally required to adopt a budget for its funds, each grant or contract has an individual budget as well as an overall budget for the agency. The budget periods, however, may not necessarily coincide with the agency's fiscal year. The differences between budget and actual amounts are generally due to these timing differences.

Compilation of INCOG's budget by management is based on functional area and doesn't necessarily follow a GASB 34 categorization. Due to the nature of INCOG's budgetary process and the complexity of the numerous budget periods, a complete budgetary comparison of INCOG is difficult and would not be meaningful in evaluating the management of INCOG.

Capital asset information

As of June 30, 2013, INCOG had \$ 204,338 invested in capital assets, which is a net increase from the previous year of \$ 147,961. Capital assets include furniture and equipment, computer equipment, and vehicles. Major capital asset additions during the current year included:

HP Plotter Z 6200	\$	8,876
2013 Toyota Prius		22,436
Ford F-250 Bi-fuel CNG Pickup		36,171

Table 3
Indian Nations Council of Governments
Capital Assets
June 30, 2013 and 2012
 (net of depreciation)

	Governmental Activities	
	2013	2012
Work in progress	\$ 23,823	\$ -
Furniture and equipment	15,119	18,760
Computer equipment	95,683	106,416
Vehicles	69,713	22,785
Capital assets, net	<u>\$ 204,338</u>	<u>\$ 147,961</u>

Economic factors and funding dependence

As noted previously in this discussion, the State and Federal economies influence INCOG's overall health. Revenue shortfalls and subsequent budget reductions pose a risk to INCOG's various government funded grants and contracts. Management has tried to mitigate this risk by building an unrestricted reserve \$ 372,650 and investing resources into strong local programs.

Contacting INCOG's Financial Management

This financial report is designed to provide our members, local citizens, government agencies, and customers with a general overview of Indian Nations Council of Governments' finances and to show INCOG's accountability for the money it receives. If you have questions about this report or need additional financial information, contact INCOG at 2 West 2nd Street, Suite 800, Tulsa, Oklahoma, 74103 or email at incog@incog.org.

Basic Financial Statements

Indian Nations Council of Governments
Statement of Net Position
June 30, 2013

	<u>Total Primary Government Governmental Activities</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 1,992,216
Due from other governments	1,464,932
Prepaid expenses	49,983
Total current assets	<u>3,507,131</u>
Noncurrent assets:	
Capital assets (net of accumulated depreciation)	204,338
Total noncurrent assets	<u>204,338</u>
Total assets	<u>3,711,469</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	440,785
Deferred revenue	1,658,188
Total current liabilities	<u>2,098,973</u>
Noncurrent liabilities:	
Accrued vacation leave	267,668
Pension benefit obligation	319,314
OPEB obligation	448,526
Total noncurrent liabilities	<u>1,035,508</u>
Total liabilities	<u>3,134,481</u>
Net position	
Net investment in capital assets	204,338
Restricted:	
Expendable	-
Nonexpendable	-
Unrestricted	372,650
Total net position	<u>\$ 576,988</u>

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

Indian Nations Council of Governments
Statement of Activities
Year Ended June 30, 2013

	<u>Program Expense:</u>	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 423,098	\$ 81,229	\$ -	\$ -
Aging services	4,310,993	-	4,251,812	-
Transportation	2,260,384	-	1,915,665	43,977
Public safety	1,884,403	140,704	1,789,338	-
Community and economic development	2,954,485	501,234	1,548,210	-
Environmental and energy	713,916	151,691	105,706	-
Total governmental activities	<u>12,547,279</u>	<u>874,858</u>	<u>9,610,731</u>	<u>43,977</u>
 Total primary government	 <u><u>\$ 12,547,279</u></u>	 <u><u>\$ 874,858</u></u>	 <u><u>\$ 9,610,731</u></u>	 <u><u>\$ 43,977</u></u>

General revenues:

Local appropriations, fees, and assessments

Other

Interest

Total general revenues

Changes in net position

Net position, beginning, restated

Net position, ending

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

Net (Expense)
Revenue and
Changes in
Net Position
<hr/>
Total
Primary
Government
<hr/>

\$	(341,869)
	(59,181)
	(300,742)
	45,639
	(905,041)
	(456,519)
	<hr/>
	(2,017,713)
	<hr/>
	(2,017,713)
	<hr/>

	2,288,822
	845
	3,091
	<hr/>
	2,292,758
	<hr/>

	275,045
	<hr/>
	301,943
	<hr/>
\$	576,988
	<hr/>
	<hr/>

Indian Nations Council of Governments
Fund Balance Sheet
Governmental Funds
June 30, 2013

	General Fund (Local Funds)	Area Agency on Aging	Transportation Planning
Assets			
Cash and cash equivalents	\$ 1,707,678	\$ (393,500)	\$ (275,025)
Due from other governments	191,037	684,331	283,608
Prepaid expenses	49,983	-	-
Total assets	<u>\$ 1,948,698</u>	<u>\$ 290,831</u>	<u>\$ 8,583</u>
Liabilities and fund equity			
Liabilities:			
Accounts payable and accrued expenses	\$ 78,238	\$ 290,831	\$ 8,583
Deferred revenue	462,302	-	-
Total liabilities	<u>540,540</u>	<u>290,831</u>	<u>8,583</u>
Fund balance:			
Nonspendable:			
Prepaid expenses	49,983	-	-
Restricted for:			
Aging services	-	-	-
Transportation	-	-	-
Public safety	-	-	-
Community and economic development	-	-	-
Environmental and energy	-	-	-
Unassigned	1,358,175	-	-
Total fund balance	<u>1,408,158</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,948,698</u>	<u>\$ 290,831</u>	<u>\$ 8,583</u>

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

Homeland Security	REAP	Other Governmental Funds	Total Governmental Funds
\$ (56,318)	\$ 1,150,912	\$ (141,531)	\$ 1,992,216
103,901	44,974	157,081	1,464,932
-	-	-	49,983
<u>\$ 47,583</u>	<u>\$ 1,195,886</u>	<u>\$ 15,550</u>	<u>\$ 3,507,131</u>

\$ 47,583	\$ -	\$ 15,550	\$ 440,785
-	1,195,886	-	1,658,188
<u>47,583</u>	<u>1,195,886</u>	<u>15,550</u>	<u>2,098,973</u>

-	-	-	49,983
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	1,358,175
-	-	-	1,408,158
<u>\$ 47,583</u>	<u>\$ 1,195,886</u>	<u>\$ 15,550</u>	<u>\$ 3,507,131</u>

Indian Nations Council of Governments
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2013

	General Fund (Local Funds)	Area Agency on Aging	Transportation Planning
Revenues			
Local appropriations, fees, and assessments	\$ 1,829,811	\$ 44,726	\$ 232,562
Grants - federal	-	2,580,006	1,557,462
Grants - state	-	1,268,190	-
Grants - local other	561,764	-	59,258
Contract services	874,858	-	-
Interest	3,091	-	-
Other	845	-	-
Match revenue	-	-	-
Total revenues	<u>3,270,369</u>	<u>3,892,922</u>	<u>1,849,282</u>
Expenditures			
Current:			
General government	305,184	-	-
Aging services	4,225	3,892,922	-
Transportation	70,205	-	1,805,305
Public safety	74,557	-	-
Community and economic development	1,867,710	-	-
Environmental and energy	577,593	-	-
Capital expenditures	76,799	-	43,977
Total expenditures	<u>2,976,273</u>	<u>3,892,922</u>	<u>1,849,282</u>
Excess of revenues over (under) expenditures	294,096	-	-
Other financing sources (uses)			
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	294,096	-	-
Fund balance, beginning	<u>1,114,062</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u><u>\$ 1,408,158</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

Homeland Security	REAP	Other Governmental Funds	Total Governmental Funds
\$ 5,622	\$ (1,174)	\$ 133,006	\$ 2,244,553
1,719,338	-	719,946	6,576,752
-	770,797	303,712	2,342,699
-	-	114,235	735,257
-	-	-	874,858
-	-	-	3,091
-	-	-	845
-	-	44,269	44,269
<u>1,724,960</u>	<u>769,623</u>	<u>1,315,168</u>	<u>12,822,324</u>
-	-	-	305,184
-	-	413,846	4,310,993
-	-	362,961	2,238,471
1,724,960	-	84,886	1,884,403
-	769,623	317,152	2,954,485
-	-	136,323	713,916
-	-	-	120,776
<u>1,724,960</u>	<u>769,623</u>	<u>1,315,168</u>	<u>12,528,228</u>
-	-	-	294,096
-	-	-	-
-	-	-	294,096
-	-	-	1,114,062
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,408,158</u>

Indian Nations Council of Governments
Reconciliation of Governmental Funds and Government-Wide
Financial Statements
Year Ended June 30, 2013

Total fund balance - governmental funds	\$ 1,408,158
Amounts reported for governmental activities in the statement of net assets are different because:	
Assets used in governmental activities are not financial resources, and therefore, are not reported as assets in the governmental funds.	
Capital assets, net of accumulated depreciation	204,338
Long-term liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the funds. Long-term liabilities consist of:	
Accrued vacation leave	(267,668)
Pension benefit obligation	(319,314)
OPEB obligation	(448,526)
Net position of governmental activities	<u>\$ 576,988</u>
Net change in fund balances - total governmental funds	\$ 294,096
Adjustments for the statement of activities:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful life as depreciation expense.	
Capital asset purchases/dipositions, net	112,970
Depreciation expense	(56,593)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds.	
Accrued vacation leave, net change	7,491
Pension obligation, net change	(38,145)
OPEB obligation, net change	(44,774)
Change in net position of governmental activities	<u>\$ 275,045</u>

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

Indian Nations Council of Governments
Statement of Net Position
Fiduciary Funds
June 30, 2013

	<u>Agency</u>
	<u>E-911</u>
Assets	
Cash and cash equivalents	\$ 63,306
Receivables:	
Accounts	<u>29,977</u>
Total assets	<u>93,283</u>
Liabilities	
Accounts payable	<u>93,283</u>
Total liabilities	<u>93,283</u>
Net assets	<u><u>\$ -</u></u>

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

Indian Nations Council of Governments
Notes to Financial Statements
June 30, 2013

I. Organization

Indian Nations Council of Governments (INCOG) is a public agency formed under the authority of Title 74, Oklahoma Statutes; permitting public agencies to enter into agreements with one another for joint or cooperative action. INCOG was created in 1967 to assist local governments in planning for common needs, cooperating for mutual benefit and coordinating for sound regional development and is one of 11 Councils of Governments in the State of Oklahoma. All local governments within the INCOG region of Creek, Osage, Rogers, Tulsa, and Wagoner Counties, and the Muscogee (Creek) and Osage Nations are eligible for membership.

II. Summary of significant accounting policies

A. Reporting entity

The accompanying financial statements present INCOG's operations. INCOG has no blended or discretely presented component units.

B. Government-wide and fund financial statements

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

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

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

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

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

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

Interest associated with the current fiscal period is all considered to be susceptible to accrual and it has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by INCOG.

INCOG reports the following major governmental funds:

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

The Area Agency on Aging (AAA) fund reports the activities related to a grant from the Oklahoma Department of Human Services for the Area Agency on Aging. It accounts for revenues from federal and state sources and the expenditures thereof related only to that grant.

The Transportation Planning fund includes grants used for transportation planning services in the region. It is funded by federal grants.

The Homeland Security fund includes the administrative and pass-through funds for Homeland Security grants used by member governments for purchase of public safety equipment.

The REAP fund reports the activity related to grants from the Oklahoma Department of Commerce for the Rural Economic Action Plan program. These funds account for revenues and related expenditures passed through to member governments for community and economic development projects.

The Other Governmental Funds account for revenues received from federal and state grants and contracts, and the expenditures, thereof, as governmental funds. Grant and contract revenues and expenditures are segregated in the general ledger accounting system.

Additionally, INCOG reports an agency fund that is used to account for fiduciary assets held by INCOG in a custodial capacity as an agent on behalf of others. INCOG accounts for the Enhanced 911 fund as an agency fund.

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

State statutes authorize INCOG to invest in obligations of the U.S. Treasury; time deposits with financial institutions, if such deposits are fully insured by federal depository insurance or pledged collateral; and debt securities issued by the State of Oklahoma, an Oklahoma county, school district, or municipality.

INCOG had no investments as of June 30, 2013.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds. INCOG had no interfund borrowing outstanding at June 30, 2013.

3. Prepaid expenses

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

4. Capital assets

Capital assets, which include furniture and equipment, computer equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by INCOG as assets with an initial, individual cost of \$ 1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Capital assets are depreciated using the straight line method over the following estimated useful lives:

	<u>Estimated Life</u>
Furniture and equipment	3-10 years
Computer equipment	2-7 years
Vehicles	4-5 years

5. Accrued Vacation Leave

INCOG's policies permit full-time employees to earn vacation leave based on their length of service. The liability for earned but unused vacation is recognized in the financial statements.

6. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities. In the fund financial statements, governmental funds report the proceeds of long-term debt as other financing sources, and the debt principal and interest payments as fund expenditures. INCOG has no long-term debt.

7. Fund balances and net position

Fund balances – Governmental fund balances are classified as nonspendable, restricted, and unassigned as follows:

- a. *Nonspendable* – includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- b. *Restricted* – consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.
- c. *Unassigned* – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.
- d. *Assigned* – includes amounts that are constrained by the entity's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by board of directors action or management decision when the city council has designated that authority.
- e. *Unassigned* – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

INCOG does not have a formal minimum fund balance policy.

It is the INCOG's policy to first use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The entity's policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amount in any of those unrestricted fund balance classifications could be used.

Net position – Net position is displayed in three components as follows:

- a. *Investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any debt or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.
- b. *Restricted* – consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted* – all other net position that do not meet the definitions of "invested in capital assets, net of related debt" or "restricted".

It is INCOG's policy to first use restricted net position prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

8. Allocation of employee benefits and direct costs

The Agency's employee benefits and indirect costs are allocated based upon actual expenditures to all grants in accordance with Office of Management and Budget (OMB) Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. The Agency's employee benefits are allocated to grant and other projects as a percentage of direct labor costs. Indirect costs necessary to sustain overall operations are allocated as a percentage of total direct labor costs charged to grants and other projects.

III. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

Accrued vacation leave	\$ 267,668
Pension benefit obligation	319,314
OPEB obligation	<u>448,526</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 1,035,508</u>

Another difference concerns capital asset reporting. The cost of capital assets, net of accumulated depreciation, is reported on the government-wide statement of net assets, but not in the governmental fund statements since they are not financial resources. The details of this difference are as follows:

Capital assets, net of related accumulated depreciation	<u>\$ 204,338</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 204,338</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures, and proceeds from disposition of assets as other financing sources. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense and gain (loss) on the disposition of such assets.”

The details of these differences are as follows:

Capital asset acquisitions	\$ 112,970
Depreciation expense	<u>(56,593)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 56,377</u>

Another element of that reconciliation states that accruals of long-term obligations do not consume current financial resources of governmental funds, however, they do have an effect on net position in the government-wide financial statements. The details of this difference are as follows:

Accrued vacation leave, net change	\$ (7,491)
Pension benefit obligation increase	38,145
OPEB obligation increase	<u>44,774</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 75,428</u>

IV. Stewardship, compliance, and accountability

Budgetary information

INCOG operates each grant program under a budget approved by the funding agency. Not all grant periods coincide with the fiscal year of INCOG. INCOG also prepares an overall agency budget for presentation to the board. Budgetary comparison schedules have been included as required supplementary information for the general and major special revenue funds.

V. Detailed notes on all funds

A. Deposits and investments

Deposits

INCOG's carrying amount of deposits was \$ 2,055,522 as of June 30, 2013, and the bank balances totaled \$ 3,467,830. Deposits are carried at cost.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, INCOG's deposits may not be returned to it. INCOG does not have a deposit policy for custodial credit risk. As of June 30, 2013, all of INCOG's bank balance was FDIC insured or collateralized.

Investments

As of June 30, 2013, INCOG had no investments.

Interest Rate Risk. INCOG does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State statutes limit investments to the following: a) direct obligations of the U.S. Government, its agencies or instrumentalities; b) collateralized or insured certificates of deposit within the state, and insured certificates only if out of state; c) savings accounts or

savings certificates; d) fully collateralized prime banker acceptances, prime commercial paper, repurchase agreements, or SEC regulated money market funds; e) obligations to the payment of which the full faith and credit of the state is pledged; f) county, municipal, or school district and valorem tax funded debt; g) bonds, notes, or money judgments of a county, municipality, or school district; h) revenue anticipation notes of a public trust of which the municipality is beneficiary; or; i) any bond, note, or other debt of any public trust of which the municipality is sole beneficiary, or other entities whose governing boards were appointed by the municipality. INCOG has no investment policy that would further limit its investment choices.

B. Receivables

Accounts Receivable.

Receivables as of June 30, 2013, for the Indian Nations Council of Governments' individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	Due from Other Governments	Allowance For Uncollectibles	Net Receivables
Governmental Funds:			
General Fund	\$ 191,037	\$ -	\$ 191,037
Area Agency on Aging	684,331	-	684,331
Transportation Planning	283,608	-	283,608
Homeland Security	103,901	-	103,901
REAP	44,974	-	44,974
Non Major Governmental	157,081	-	157,081
Total	<u>\$ 1,464,932</u>	<u>\$ -</u>	<u>\$ 1,464,932</u>

C. Capital assets

Capital asset balances and activities for the year ended June 30, 2013, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Work in progress	\$ -	\$ 23,823	\$ -	\$ 23,823
Capital assets, being depreciated:				
Furniture and equipment	76,693	3,642	-	80,335
Computer equipment	337,262	26,899	-	364,161
Vehicles	70,184	58,606	(18,792)	109,998
Total capital assets, being depreciated	<u>484,139</u>	<u>89,147</u>	<u>(18,792)</u>	<u>554,494</u>
Less accumulated depreciation for:				
Furniture and equipment	(57,933)	(7,283)	-	(65,216)
Computer equipment	(230,846)	(37,632)	-	(268,478)
Vehicles	(47,399)	(11,678)	18,792	(40,285)
Total accumulated depreciation	<u>(336,178)</u>	<u>(56,593)</u>	<u>18,792</u>	<u>(373,979)</u>
Capital assets being depreciated, net	<u>147,961</u>	<u>32,554</u>	<u>-</u>	<u>180,516</u>
Governmental activities capital assets, net	<u>\$ 147,961</u>	<u>\$ 56,377</u>	<u>\$ -</u>	<u>\$ 204,338</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 42,486
Aging services	834
Transportation	13,273
Public safety	-
Community and economic development	-
Environmental and energy	-
Total depreciation expense – governmental activities	<u>\$ 56,593</u>

D. Long-term debt

INCOG had no long-term debt during the year ended June 30, 2013 in the form of loans, notes, bonds, or capital lease obligations.

F. Accrued vacation leave

Full-time employees earn vacation of 11 to 25 days per year depending on years of service completed. The maximum amount of vacation leave is twice the amount an employee is eligible to accrue in a calendar year. Unused personal leave that accrued after July 1, 2001 or later may be converted to vacation leave at the end of the fiscal year, in which it accrued, on a day-for-day basis. Unused personal leave may be carried over to the following year so long as it does not exceed 150 days. In accordance with the guidelines set forth by GASB Statement No. 16, *Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences*, a provision has been made for accumulated vacation leave as follows:

Governmental activities:	<u>\$ 267,668</u>
Total vacation leave	<u>\$ 267,668</u>

Full-time employees are granted personal leave of 9 days per year. Up to 150 days may be carried forward to the following year. Upon separation, no compensation is provided for accrued sick leave.

VI. Other information

A. Risk management

INCOG is exposed to various risks of loss related to torts, property damage, errors and omissions, and personal injury. INCOG carries commercial insurance coverage to include property and casualty, general liability, worker's compensation, fidelity, public officials' liability, and certain other risks. INCOG does retain a risk of loss in the form of deductibles on each policy.

B. Contingent liabilities

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

C. Employee retirement system and pension plan

Municipal Employees Retirement Plan (MERP)

Plan Description – INCOG participates in MERPS, a cost sharing multiple-employer defined benefit pension plan offered through the City of Tulsa, which covers eligible employees of participating organizations that are not covered by other plans. The Plan was established by the City of Tulsa in accordance with the City Charter and State statutes and created in accordance with Internal Revenue Code Section 457.

All full-time employees are eligible to participate in the system on the first day of the month which coincides with, or next following, their first day of employment. The benefit provisions are established and may be amended by the City of Tulsa in accordance with the City Charter and State of Oklahoma statutes. Benefits vest 100% after 5 years of service. Any participant whose years of continuous employment, when added to the participant's age equals or exceeds 80, may retire without a reduction in the monthly benefit. The amount of retirement income is established by City ordinance and is equal to 2.35% of final average earnings, up to covered compensation, times years of service.

Pension provisions include death benefits for the surviving spouse. The system does not provide a monthly income for disabled participants; however, under certain conditions, employees who become disabled may be eligible to receive their full retirement at age 65 even though they were unable to work up to the retirement age.

Funding Policy – Employees of INCOG, as established by the Pension Board of Trustees, are required to contribute 6.0% of base pay to the Plan. The contributions are deducted from the employee's wages or salary and remitted by INCOG to the Plan on a semi-monthly basis. INCOG is required to contribute the remaining amounts necessary to fund the Plan using the actuarial basis specified by Tulsa City Ordinance.

For the year ended June 30, 2013, employees contributed 6.0% on all compensation, while INCOG's contribution was 10.0% of total compensation. For the year ended June 30, 2013, INCOG's payroll for employees covered by MERP was \$ 3,137,213. Employer and employee contributions for the year ended June 30, 2013, were \$ 315,729 and \$ 189,367 respectively.

Other Post-Employment Benefits

The employees of INCOG are eligible for other post-employment benefits as part of the City of Tulsa plan. Employees are eligible for retiree health care benefits until Medicare eligibility at the earlier of; 1) Age 55 with 5 years of service or 2) 80 points (years of service plus age must be greater than or equal to 80). The other post-employment benefits liability is provided to INCOG by the City of Tulsa and is a percentage of the total GASB actuarial valuation for the 2012-2013 period. For the year ended June 30, 2013, INCOG's percentage of the total liability was 2.405% (based upon actual payroll expenses) which resulted in a year end liability of \$ 403,752.

D. Subsequent events

Management has evaluated subsequent events through November 25, 2013, the date which the financial statements were available to be issued.

Required Supplementary Information

Indian Nations Council of Governments
Budgetary Comparison Schedule
General Fund and Major Special Revenue Funds (Budgetary Basis)
Year Ended June 30, 2013

	General Fund			
	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Fund balance, beginning	\$ 1,064,079	\$ 1,064,079	\$ 1,064,079	\$ -
Resources				
Local appropriations, fees, and assessments	694,401	694,401	1,829,811	1,135,410
Grants - federal	-	-	-	-
Grants - state	-	-	-	-
Grants - local other	-	-	561,764	561,764
Contract services	2,060,086	2,060,086	874,858	(1,185,228)
Interest	-	-	3,091	
Other	-	-	845	845
Total resources	<u>2,754,487</u>	<u>2,754,487</u>	<u>3,270,369</u>	<u>512,791</u>
Amounts available for appropriation	3,818,566	3,818,566	4,334,448	512,791
Charges to appropriations:				
Salaries and fringe	2,432,309	2,432,309	1,961,747	470,562
Indirect	758,523	758,523	649,824	108,699
General operations	166,750	166,750	219,136	(52,386)
Contractual	281,765	281,765	144,496	137,269
Pass-through/service funds	-	-	1,070	(1,070)
Total charges to appropriations	<u>3,639,347</u>	<u>3,639,347</u>	<u>2,976,273</u>	<u>663,074</u>
Fund balance, ending	<u>\$ 179,219</u>	<u>\$ 179,219</u>	<u>\$ 1,358,175</u>	<u>\$ 1,175,865</u>

See disclaimer in accompanying Independent Auditor's Report.

Area Agency on Aging			
Budget			Variance with Final Budget Positive (Negative)
Original	Final	Actual	
\$ -	\$ -	\$ -	\$ -
50,642	50,642	44,726	(5,916)
2,905,839	2,905,839	2,580,006	(325,833)
1,115,004	1,115,004	1,268,190	153,186
-	-	-	-
-	-	-	-
-	-	-	-
4,071,485	4,071,485	3,892,922	(178,563)
4,071,485	4,071,485	3,892,922	(178,563)
465,006	465,006	384,108	80,898
145,221	145,221	127,807	17,414
48,892	48,892	29,490	19,402
-	-	9,693	(9,693)
3,412,366	3,412,366	3,341,824	70,542
4,071,485	4,071,485	3,892,922	178,563
\$ -	\$ -	\$ -	\$ -

Indian Nations Council of Governments
Budgetary Comparison Schedule
General Fund and Major Special Revenue Funds (Budgetary Basis)
Year Ended June 30, 2013

	Transportation Planning			Variance with
	Budget		Actual	Final Budget
	Original	Final		Positive
				(Negative)
Fund balance, beginning	\$ -	\$ -	\$ -	\$ -
Resources				
Local appropriations, fees, and assessments	293,409	293,409	231,312	(62,097)
Grants - federal	1,336,600	1,336,600	1,558,712	222,112
Grants - state	-	-	-	-
Grants - local other	-	-	59,258	59,258
Contract services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total resources	<u>1,630,009</u>	<u>1,630,009</u>	<u>1,849,282</u>	<u>219,273</u>
Amounts available for appropriation	1,630,009	1,630,009	1,849,282	219,273
Charges to appropriations:				
Salaries and fringe	912,718	912,718	777,040	135,678
Indirect	285,041	285,041	260,577	24,464
General operations	157,250	157,250	179,388	(22,138)
Contractual	275,000	275,000	252,135	22,865
Pass-through/service funds	-	-	380,142	(380,142)
Total charges to appropriations	<u>1,630,009</u>	<u>1,630,009</u>	<u>1,849,282</u>	<u>(219,273)</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See disclaimer in accompanying Independent Auditor's Report.

Homeland Security			
Budget			Variance with Final Budget Positive (Negative)
Original	Final	Actual	
\$ -	\$ -	\$ -	\$ -
79,709	79,709	5,622	(74,087)
1,450,291	1,450,291	1,719,338	269,047
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,530,000	1,530,000	1,724,960	194,960
1,530,000	1,530,000	1,724,960	194,960
30,000	30,000	33,710	(3,710)
10,000	10,000	11,209	(1,209)
-	-	-	-
-	-	-	-
1,490,000	1,490,000	1,680,041	(190,041)
1,530,000	1,530,000	1,724,960	(194,960)
\$ -	\$ -	\$ -	\$ -

Indian Nations Council of Governments
Budgetary Comparison Schedule
General Fund and Major Special Revenue Funds (Budgetary Basis)
Year Ended June 30, 2013

Page 3 of 3

	Rural Economic Action Plan			Variance with
	Budget			Final Budget
	Original	Final	Actual	Positive
				(Negative)
Fund balance, beginning	\$ -	\$ -	\$ -	\$ -
Resources				
Local appropriations, fees, and assessments	-	-	(1,174)	(1,174)
Grants - federal	-	-	-	-
Grants - state	576,623	576,623	749,825	173,202
Grants - local other	-	-	-	-
Contract services	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
Total resources	<u>576,623</u>	<u>576,623</u>	<u>748,651</u>	<u>172,028</u>
Amounts available for appropriation	576,623	576,623	748,651	172,028
Charges to appropriations:				
Salaries and fringe	21,623	21,623	20,120	1,503
Indirect	7,208	7,208	6,690	518
General operations	-	-	847	(847)
Contractual	-	-	-	-
Pass-through/service funds	<u>547,792</u>	<u>547,792</u>	<u>720,994</u>	<u>(173,202)</u>
Total charges to appropriations	<u>576,623</u>	<u>576,623</u>	<u>748,651</u>	<u>(172,028)</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See disclaimer in accompanying Independent Auditor's Report.

Indian Nations Council of Governments
Notes to Budgetary Comparison Schedules
Year Ended June 30, 2013

Budgetary Accounting: The annual operating budgets are prepared and presented on the modified accrual basis of accounting. INCOG utilizes encumbrance accounting during the year on a limited basis for certain purchase orders and other commitments for the expenditure of funds which are recorded in order to reserve a portion of the applicable appropriation. Encumbrances lapse at year-end, therefore, encumbrances outstanding at year-end are not considered expenditures for budgetary purposes, as INCOG will provide for supplemental appropriations in the following budget year.

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Other Supplementary Information

Indian Nations Council of Governments
Combining Balance Sheet
Area Agency on Aging
June 30, 2013

	Title III B Administrative	Title III B Services	Title III C1	Title III C2
Assets				
Cash and cash equivalents	\$ (29,486)	\$ (18,413)	\$ (21,070)	\$ (9,610)
Accounts receivable	30,315	18,923	21,667	9,883
Total assets	<u>\$ 829</u>	<u>\$ 510</u>	<u>\$ 597</u>	<u>\$ 273</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 829	\$ 510	\$ 597	\$ 273
Total liabilities	<u>829</u>	<u>510</u>	<u>597</u>	<u>273</u>
Fund balances				
Restricted for:				
Aging services	-	-	-	-
Total fund balances	-	-	-	-
Total liabilities and fund balances	<u>\$ 829</u>	<u>\$ 510</u>	<u>\$ 597</u>	<u>\$ 273</u>

Title III E	Title VII	Title III B Services Ability Resources	Title III B Services Cimarron Transit	Title III B Services Legal Aid	Title III B Services Osage County
\$ (5,510)	\$ (2,270)	\$ (11,515)	\$ (8,559)	\$ (5,394)	\$ (567)
5,673	2,326	13,912	13,771	6,494	1,135
<u>\$ 163</u>	<u>\$ 56</u>	<u>\$ 2,397</u>	<u>\$ 5,212</u>	<u>\$ 1,100</u>	<u>\$ 568</u>
\$ 163	\$ 56	\$ 2,397	\$ 5,212	\$ 1,100	\$ 568
<u>163</u>	<u>56</u>	<u>2,397</u>	<u>5,212</u>	<u>1,100</u>	<u>568</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 163</u>	<u>\$ 56</u>	<u>\$ 2,397</u>	<u>\$ 5,212</u>	<u>\$ 1,100</u>	<u>\$ 568</u>

Indian Nations Council of Governments
Combining Balance Sheet
Area Agency on Aging
June 30, 2013

	Title III BS Oxford Health Care	Title III B Services Sodexo	Title III C1 Osage County	Title III C1 Sodexo
Assets				
Cash and cash equivalents	\$ (20,844)	\$ (1,781)	\$ (19,607)	\$ (92,966)
Accounts receivable	139,444	6,774	19,607	116,639
Total assets	<u>\$ 118,600</u>	<u>\$ 4,993</u>	<u>\$ -</u>	<u>\$ 23,673</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 118,600	\$ 4,993	\$ -	\$ 23,673
Total liabilities	<u>118,600</u>	<u>4,993</u>	<u>-</u>	<u>23,673</u>
Fund balances				
Restricted for:				
Aging services	-	-	-	-
Total fund balances	-	-	-	-
Total liabilities and fund balances	<u>\$ 118,600</u>	<u>\$ 4,993</u>	<u>\$ -</u>	<u>\$ 23,673</u>

Title III C2 Osage County	Title III C2 Sodexo	Title III D Healthy Aging	Title III E Alzheimers	Title III E Oxford Health Care	USDA/ NSIP
\$ -	\$ (75,731)	\$ (5,475)	\$ (28,306)	\$ (8,248)	\$ (25,398)
-	97,362	13,099	40,995	74,916	44,263
<u>\$ -</u>	<u>\$ 21,631</u>	<u>\$ 7,624</u>	<u>\$ 12,689</u>	<u>\$ 66,668</u>	<u>\$ 18,865</u>
\$ -	\$ 21,631	\$ 7,624	\$ 12,689	\$ 66,668	\$ 18,865
<u>-</u>	<u>21,631</u>	<u>7,624</u>	<u>12,689</u>	<u>66,668</u>	<u>18,865</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 21,631</u>	<u>\$ 7,624</u>	<u>\$ 12,689</u>	<u>\$ 66,668</u>	<u>\$ 18,865</u>

Indian Nations Council of Governments
Combining Balance Sheet
Area Agency on Aging
June 30, 2013

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	Title III C1 Michael Lundy	Title III D Ability Resources	Total
Assets			
Cash and cash equivalents	\$ (2,750)	\$ -	\$ (393,500)
Accounts receivable	5,750	1,383	684,331
Total assets	<u>\$ 3,000</u>	<u>\$ 1,383</u>	<u>\$ 290,831</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 3,000	\$ 1,383	\$ 290,831
Total liabilities	<u>3,000</u>	<u>1,383</u>	<u>290,831</u>
Fund balances			
Restricted for:			
Aging services	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 3,000</u>	<u>\$ 1,383</u>	<u>\$ 290,831</u>

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Indian Nations Council of Governments
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Area Agency on Aging
Year Ended June 30, 2013

	Title III B Administrative	Title III B Services	Title III C1	Title III C2
Revenues				
Local appropriations, fees, and assessments	\$ 11,531	\$ 8,784	\$ 12,411	\$ 5,930
Grants - federal	62,337	95,382	73,627	35,768
Grants - state	112,530	18,133	40,260	16,724
Total revenues	<u>186,398</u>	<u>122,299</u>	<u>126,298</u>	<u>58,422</u>
Expenditures				
Current:				
Aging services	186,398	122,299	126,298	58,422
Total expenditures	<u>186,398</u>	<u>122,299</u>	<u>126,298</u>	<u>58,422</u>
Excess of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Title III E	Title VII	Title III B Services Ability Resources	Title III B Services Cimarron Transit	Title III B Services Legal Aid	Title III B Services Osage County
\$ 4,800	\$ 1,270	\$ -	\$ -	\$ -	\$ -
30,787	10,043	71,888	55,916	46,196	5,614
9,009	1,772	15,335	11,928	9,855	1,198
<u>44,596</u>	<u>13,085</u>	<u>87,223</u>	<u>67,844</u>	<u>56,051</u>	<u>6,812</u>
44,596	13,085	87,223	67,844	56,051	6,812
<u>44,596</u>	<u>13,085</u>	<u>87,223</u>	<u>67,844</u>	<u>56,051</u>	<u>6,812</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Indian Nations Council of Governments
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Area Agency on Aging
Year Ended June 30, 2013

	Title III BS Oxford Health Care	Title III B Services Sodexho	Title III C1 Osage County	Title III C1 Sodexho
Revenues				
Local appropriations, fees, and assessments \$	-	-	-	-
Grants - federal	339,684	26,747	155,912	590,160
Grants - state	72,462	5,706	61,104	231,290
Total revenues	<u>412,146</u>	<u>32,453</u>	<u>217,016</u>	<u>821,450</u>
Expenditures				
Current:				
Aging services	412,146	32,453	217,016	821,450
Total expenditures	<u>412,146</u>	<u>32,453</u>	<u>217,016</u>	<u>821,450</u>
Excess of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

<u>Title III C2 Osage County</u>	<u>Title III C2 Sodexo</u>	<u>Title III D Health Agency</u>	<u>Title III E Alzheimers</u>	<u>Title III E Oxford Health Care</u>	<u>USDA/ NSIP</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
83,959	305,047	33,746	96,963	161,347	273,005
120,674	438,446	5,955	32,322	53,782	-
<u>204,633</u>	<u>743,493</u>	<u>39,701</u>	<u>129,285</u>	<u>215,129</u>	<u>273,005</u>
<u>204,633</u>	<u>743,493</u>	<u>39,701</u>	<u>129,285</u>	<u>215,129</u>	<u>273,005</u>
<u>204,633</u>	<u>743,493</u>	<u>39,701</u>	<u>129,285</u>	<u>215,129</u>	<u>273,005</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Indian Nations Council of Governments
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Area Agency on Aging
Year Ended June 30, 2013

	Title III C1 Michael Lundy	Title III D Ability Resources	Total
Revenues			
Local appropriations, fees, and assessments	\$ -	\$ -	\$ 44,726
Grants - federal	23,852	2,026	2,580,006
Grants - state	9,348	357	1,268,190
Total revenues	<u>33,200</u>	<u>2,383</u>	<u>3,892,922</u>
Expenditures			
Current:			
Aging services	33,200	2,383	3,892,922
Total expenditures	<u>33,200</u>	<u>2,383</u>	<u>3,892,922</u>
Excess of revenues over (under) expenditures	-	-	-
Other financing sources (uses)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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Indian Nations Council of Governments
Combining Balance Sheet
Transportation Planning
June 30, 2013

	FHWA Planning	FTA 5303	FHWA CMAQ	FTA Oklahoma Veterans Transit Program
Assets				
Cash and cash equivalents	\$ (108,083)	\$ (50,187)	\$ (77,875)	\$ (24,542)
Accounts receivable	112,307	51,475	80,946	24,542
Total assets	<u>\$ 4,224</u>	<u>\$ 1,288</u>	<u>\$ 3,071</u>	<u>\$ -</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 4,224	\$ 1,288	\$ 3,071	\$ -
Total liabilities	<u>4,224</u>	<u>1,288</u>	<u>3,071</u>	<u>-</u>
Fund balances				
Restricted for:				
Transportation	-	-	-	-
Total fund balances	-	-	-	-
Total liabilities and fund balances	<u>\$ 4,224</u>	<u>\$ 1,288</u>	<u>\$ 3,071</u>	<u>\$ -</u>

FTA Alternatives Analysis	FHWA Mobility Management	Total
\$ (6,629)	\$ (7,709)	\$ (275,025)
6,629	7,709	283,608
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,583</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,583</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,583</u>

Indian Nations Council of Governments
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Transportation Planning
Year Ended June 30, 2013

	FHWA Planning	FTA 5303	FHWA CMAQ	FTA Oklahoma Veterans Transit Program
Revenues				
Local appropriations, fees, and assessments	\$ 157,386	\$ 47,994	\$ 26,913	\$ 269
Grants - federal	629,516	191,940	277,916	235,949
Grants - local other	-	-	-	-
Total revenues	<u>786,902</u>	<u>239,934</u>	<u>304,829</u>	<u>236,218</u>
Expenditures				
Current:				
Transportation	780,920	238,110	268,658	236,218
Capital outlay	5,982	1,824	36,171	-
Total expenditures	<u>786,902</u>	<u>239,934</u>	<u>304,829</u>	<u>236,218</u>
Excess of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

FTA Alternatives Analysis	FHWA Mobility Management	Total
\$ -	\$ -	\$ 232,562
180,552	41,589	1,557,462
48,855	10,403	59,258
<u>229,407</u>	<u>51,992</u>	<u>1,849,282</u>
229,407	51,992	1,805,305
-	-	43,977
<u>229,407</u>	<u>51,992</u>	<u>1,849,282</u>
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Indian Nations Council of Governments
Combining Balance Sheet
Homeland Security
June 30, 2013

	Homeland Security UASI 2009	Homeland Security UASI 2010	Total
Assets			
Cash and cash equivalents	\$ -	\$ (56,318)	\$ (56,318)
Accounts receivable	-	103,901	103,901
Total assets	<u>\$ -</u>	<u>\$ 47,583</u>	<u>\$ 47,583</u>
Liabilities			
Accounts payable and accrued liabilities	\$ -	\$ 47,583	\$ 47,583
Total liabilities	<u>-</u>	<u>47,583</u>	<u>47,583</u>
Fund balances			
Restricted for:			
Public safety	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 47,583</u>	<u>\$ 47,583</u>

Indian Nations Council of Governments
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Homeland Security
Year Ended June 30, 2013

	Homeland Security UASI 2009	Homeland Security UASI 2010	Total
Revenues			
Local appropriations, fees, and assessments	\$ -	\$ 5,622	\$ 5,622
Grants - federal	616,301	1,103,037	1,719,338
Total revenues	<u>616,301</u>	<u>1,108,659</u>	<u>1,724,960</u>
Expenditures			
Current:			
Public safety	616,301	1,108,659	1,724,960
Total expenditures	<u>616,301</u>	<u>1,108,659</u>	<u>1,724,960</u>
Excess of revenues over (under) expenditures	-	-	-
Other financing sources (uses)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Indian Nations Council of Governments
Combining Balance Sheet
Rural Economic Action Plan
June 30, 2013

	REAP 2001	REAP 2003	REAP 2007	REAP 2008
Assets				
Cash and cash equivalents	\$ 18,452	\$ 20,200	\$ 28,810	\$ 37,718
Accounts receivable	-	-	-	-
Total assets	<u>\$ 18,452</u>	<u>\$ 20,200</u>	<u>\$ 28,810</u>	<u>\$ 37,718</u>
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Deferred revenue	18,452	20,200	28,810	37,718
Total liabilities	<u>18,452</u>	<u>20,200</u>	<u>28,810</u>	<u>37,718</u>
Fund balances				
Restricted for:				
Community and economic development	-	-	-	-
Total fund balances	-	-	-	-
Total liabilities and fund balances	<u>\$ 18,452</u>	<u>\$ 20,200</u>	<u>\$ 28,810</u>	<u>\$ 37,718</u>

REAP 2009	REAP 2010	REAP 2011	REAP 2012	REAP 2013	Total
\$ 100,000	\$ 68,431	\$ 125,289	\$ 268,544	\$ 483,468	\$ 1,150,912
-	-	-	-	44,974	44,974
<u>\$ 100,000</u>	<u>\$ 68,431</u>	<u>\$ 125,289</u>	<u>\$ 268,544</u>	<u>\$ 528,442</u>	<u>\$ 1,195,886</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100,000	68,431	125,289	268,544	528,442	1,195,886
<u>100,000</u>	<u>68,431</u>	<u>125,289</u>	<u>268,544</u>	<u>528,442</u>	<u>1,195,886</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 100,000</u>	<u>\$ 68,431</u>	<u>\$ 125,289</u>	<u>\$ 268,544</u>	<u>\$ 528,442</u>	<u>\$ 1,195,886</u>

Indian Nations Council of Governments
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
REAP
Year Ended June 30, 2013

	REAP 2001	REAP 2008	REAP 2009	REAP 2010
Revenues				
Local appropriations, fees, and assessments	\$ -	\$ -	\$ -	\$ -
Grants - state	6,548	26	81,749	58,867
Total revenues	<u>6,548</u>	<u>26</u>	<u>81,749</u>	<u>58,867</u>
Expenditures				
Current:				
Community and economic development	6,548	26	81,749	58,867
Total expenditures	<u>6,548</u>	<u>26</u>	<u>81,749</u>	<u>58,867</u>
Excess of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

REAP 2011	REAP 2012	REAP 2013	REAP Admin	Total
\$ -	\$ -	\$ -	\$ (1,174)	\$ (1,174)
214,164	274,793	105,819	28,831	770,797
214,164	274,793	105,819	27,657	769,623
214,164	274,793	105,819	27,657	769,623
214,164	274,793	105,819	27,657	769,623
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

Indian Nations Council of Governments
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue			
	FTA JARC	New Freedom	FTA-JARC Mobility Management	New Freedom Mobility Management
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ (5,000)	\$ -
Accounts receivable	-	-	5,000	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Restricted for:				
Aging services	-	-	-	-
Transportation	-	-	-	-
Public safety				
Community and economic development	-	-	-	-
Environmental and energy	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue						
New Freedom	FTA JARC	12919 State Energy Plan	DOE Collaboration of Clean Cities	EDA Arkansas River Development	EDA Initiative Award	EDA Planning Grant
\$ (34,463)	\$ (50,431)	\$ (1,919)	\$ (5,135)	\$ -	\$ -	\$ (16,449)
34,463	50,431	2,108	5,135	-	-	16,537
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88</u>
\$ -	\$ -	\$ 189	\$ -	\$ -	\$ -	\$ 88
-	-	-	-	-	-	-
-	-	189	-	-	-	88
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88</u>

Indian Nations Council of Governments
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

(continued)

	Special Revenue			
	Department of Insurance	ADRC	MIPPA	CDSMP
Assets				
Cash and cash equivalents	\$ -	\$ (14,637)	\$ -	\$ -
Accounts receivable	-	14,637	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Restricted for:				
Aging services	-	-	-	-
Transportation	-	-	-	-
Public safety				
Community and economic development	-	-	-	-
Environmental and energy	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue

CDC	Farmers Market	CENA	Rural Fire Defense	ODOC-State Appropriated Funds	Water Quality 604(b) FY 12	Water Quality 604(b) FY 11
\$ (6,022)	\$ (1,252)	\$ (3,785)	\$ (11,678)	\$ (2,778)	\$ (843)	\$ 11
7,160	1,252	4,610	11,875	3,030	843	-
<u>\$ 1,138</u>	<u>\$ -</u>	<u>\$ 825</u>	<u>\$ 197</u>	<u>\$ 252</u>	<u>\$ -</u>	<u>\$ 11</u>
\$ 1,138	\$ -	\$ 825	\$ 197	\$ 252	\$ -	\$ 11
-	-	-	-	-	-	-
<u>1,138</u>	<u>-</u>	<u>825</u>	<u>197</u>	<u>252</u>	<u>-</u>	<u>11</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,138</u>	<u>\$ -</u>	<u>\$ 825</u>	<u>\$ 197</u>	<u>\$ 252</u>	<u>\$ -</u>	<u>\$ 11</u>

Indian Nations Council of Governments
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

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(continued)

	Special Revenue		
	Arkansas River Corridor Projects	Masonic Grant	Total
Assets			
Cash and cash equivalents	\$ -	\$ 12,850	\$ (141,531)
Accounts receivable	-	-	157,081
Total assets	<u>\$ -</u>	<u>\$ 12,850</u>	<u>\$ 15,550</u>
Liabilities			
Accounts payable and accrued liabilities	\$ -	\$ 12,850	\$ 15,550
Deferred revenue	-	-	-
Total liabilities	<u>-</u>	<u>12,850</u>	<u>15,550</u>
Fund balances			
Restricted for:			
Aging services	-	-	-
Transportation	-	-	-
Public safety	-	-	-
Community and economic development	-	-	-
Environmental and energy	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 12,850</u>	<u>\$ 15,550</u>

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Indian Nations Council of Governments
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2013

	Special Revenue			
	FTA JARC	New Freedom	FTA-JARC Mobility Management	New Freedom Mobility Management
Revenues				
Local appropriations, fees, and assessments	\$ -	\$ 19,945	\$ 94	\$ -
Grants - federal	2,341	64,281	10,812	4,084
Grants - state	-	-	-	-
Grants - local - other	-	-	6,996	2,205
Match revenue	-	-	-	-
Total revenues	<u>2,341</u>	<u>84,226</u>	<u>17,902</u>	<u>6,289</u>
Expenditures				
Current:				
Aging services	-	-	-	-
Transportation	2,341	84,226	17,902	6,289
Public safety	-	-	-	-
Community and economic development	-	-	-	-
Environmental and energy	-	-	-	-
Total expenditures	<u>2,341</u>	<u>84,226</u>	<u>17,902</u>	<u>6,289</u>
Excess of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue						
New Freedom	FTA JARC	12919 State Energy Plan	DOE Collaboration of Clean Cities	EDA Arkansas River Development	EDA Initiative Award	EDA Planning Grant
\$ -	\$ -	\$ 20,438	\$ 10,000	\$ (12,139)	\$ 392	\$ -
105,794	146,409	38,089	41,974	12,465	107,551	44,269
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	44,269
105,794	146,409	58,527	51,974	326	107,943	88,538
-	-	-	-	-	-	-
105,794	146,409	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	326	107,943	88,538
-	-	58,527	51,974	-	-	-
105,794	146,409	58,527	51,974	326	107,943	88,538
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Indian Nations Council of Governments
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2013

(continued)

	Special Revenue			
	Department of Insurance	ADRC	MIPPA	CDSMP
Revenues				
Local appropriations, fees, and assessments	\$ 75	\$ 5,544	\$ 439	\$ 997
Grants - federal	8,533	32,240	10,564	44,464
Grants - state	-	-	-	-
Grants - local - other	-	-	-	-
Match revenue	-	-	-	-
Total revenues	<u>8,608</u>	<u>37,784</u>	<u>11,003</u>	<u>45,461</u>
Expenditures				
Current:				
Aging services	8,608	37,784	11,003	45,461
Transportation	-	-	-	-
Public safety	-	-	-	-
Community and economic development	-	-	-	-
Environmental and energy	-	-	-	-
Total expenditures	<u>8,608</u>	<u>37,784</u>	<u>11,003</u>	<u>45,461</u>
Excess of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue

CDC	Farmers Market	CENA	Rural Fire Defense	ODOC-State Appropriated Funds	Water Quality 604(b) FY 12	Water Quality 604(b) FY 11
\$ -	\$ -	\$ 3,175	\$ 14,886	\$ 78,678	\$ -	\$ 179
44,824	1,252	-	-	-	-	-
-	-	171,705	70,000	36,364	4,062	21,581
-	430	-	-	-	-	-
-	-	-	-	-	-	-
44,824	1,682	174,880	84,886	115,042	4,062	21,760
44,824	1,682	174,880	-	-	-	-
-	-	-	-	-	-	-
-	-	-	84,886	-	-	-
-	-	-	-	115,042	-	-
-	-	-	-	-	4,062	21,760
44,824	1,682	174,880	84,886	115,042	4,062	21,760
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Page 3 of 3

Indian Nations Council of Governments
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2013

(continued)

	Special Revenue		
	Arkansas River Corridor Projects	Masonic Grant	Total
Revenues			
Local appropriations, fees, and assessments	\$ (9,697)	\$ -	\$ 133,006
Grants - federal	-	-	719,946
Grants - state	-	-	303,712
Grants - local - other	15,000	89,604	114,235
Match revenue	-	-	44,269
Total revenues	<u>5,303</u>	<u>89,604</u>	<u>1,315,168</u>
Expenditures			
Current:			
Aging services	-	89,604	413,846
Transportation	-	-	362,961
Public safety	-	-	84,886
Community and economic development	5,303	-	317,152
Environmental and energy	-	-	136,323
Total expenditures	<u>5,303</u>	<u>89,604</u>	<u>1,315,168</u>
Excess of revenues over (under) expenditures	-	-	-
Other financing sources (uses)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Indian Nations Council of Governments
Schedule of Indirect Costs
For the Year Ended June 30, 2013

	Indirect Costs
Indirect salaries	\$ 393,404
Employee benefits	207,914
Indirect personnel costs	<u>601,318</u>
Consultanting/contract services	125,301
Rental of office space and equipment	297,905
Travel	19,575
Training	4,070
Consumable supplies	20,720
Reproduction	5,502
Vehicle expenses	9,434
Telephone	13,917
Postage	2,905
Publications	413
Professional dues	8,439
Repair and maintenance of office equipment	13,020
Recruitment/moving expenses	1,286
Computer	8,238
Depreciation	42,486
Miscellaneous	20,027
Total indirect costs	<u><u>\$ 1,194,556</u></u>

Indian Nations Council of Governments
Enhanced 911 Fund
Schedule of Receipts and Disbursements
Year Ended June 30, 2013

Receipts

911 fees from cellular providers	\$ 3,433,251
City reimbursements	1,784,335
Total receipts	<u>5,217,586</u>

Disbursements

Pass-through of 911 fees	
City of Bartlesville	5,661
City of Bixby	94,788
City of Bristow	16,336
City of Broken Arrow	380,109
City of Collinsville	28,298
Creek County	133,568
City of Drumright	14,875
City of Glenpool	45,440
City of Jenks	78,822
Osage County	116,891
Town of Mannford	10,399
City of Owasso	129,414
City of Sand Springs	84,771
City of Sapulpa	103,874
City of Skiatook	34,769
City of Tulsa	1,917,145
Tulsa County	182,900
City of Sperry	7,507
Grand Gateway	2,216
Administrative services	52,247
Telecommunication services	1,756,549
Total disbursements	<u>5,196,579</u>
Excess of receipts over (under) disbursements	<u><u>\$ 21,007</u></u>

Compliance and Internal Control

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Ronald C. Cottrell, CPA

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Indian Nations Council of Governments
Tulsa, Oklahoma

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, each major fund, and the aggregate remaining fund information of Indian Nations Council of Governments as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of Indian Nations Council of Governments, and have issued our report thereon dated November 25, 2013. We did not audit management's discussion and analysis or the budgetary comparison schedule, which are required supplementary information, and therefore, expressed no opinion on them

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Indian Nations Council of Governments' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Indian Nations Council of Governments' internal control. Accordingly, we do not express an opinion on the effectiveness of Indian Nations Council of Governments' 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 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Indian Nations Council of Governments' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Ronald C. Cottrell, CPA

Ronald C. Cottrell, CPA
Kansas, Oklahoma
November 25, 2013

Single Audit



Ronald C. Cottrell, CPA

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance as Required by OMB Circular A-133

Board of Directors
Indian Nations Council of Governments
Tulsa, Oklahoma

Report on Compliance for Each Major Program

We have audited Indian Nations Council of Governments' 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 its major federal programs for the year ended June 30, 2013. Indian Nations Council of Governments' 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 Indian Nations Council of Governments' 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 Indian Nations Council of Governments' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Indian Nations Council of Governments' compliance.

Opinion on Each Major Federal Program

In our opinion, Indian Nations Council of Governments complied, in all material respects, with the 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, 2013.

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Report on Internal Control Over Compliance

Management of the Indian Nations Council of Governments is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Indian Nations Council of Governments' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Indian Nations Council of Governments' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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 that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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.

Ronald C. Cottrell, CPA

Ronald C. Cottrell, CPA
Kansas, Oklahoma
November 25, 2013

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Indian Nations Council of Governments
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
FEDERAL PROGRAMS			
<u>U. S. Department of Transportation</u>			
Direct Program -			
<i>Transit Services Program Cluster</i>			
Job Access-Reverse Commute (JARC)	20.516	OK-37-X035-00 / FY08	\$ 2,341
		OK-37-X047-00 / FY10	146,409
Job Access-Reverse Commute (JARC)/ Mobility Management		OK-37-X038-00	10,812
New Freedom	20.521	OK-57-X012-01 / FY08	64,281
		OK-57-X022-00 / FY10	105,794
New Freedom / Mobility Management		OK-NF-08	4,084
<i>Subtotal Transit Services Program Cluster</i>			<u>333,721</u>
<i>Other Programs</i>			
OK Vets Transit Program	20.500	OK-04-0019-00	235,949
Peoria Ave - Riverside Drive AA	20.522	OK-39-0002-00	180,552
<i>Subtotal Other Programs</i>			<u>416,501</u>
Pass-Through Program From:			
Oklahoma Department of Transportation			
Long Term Transportation Planning -	20.205	0060 037 JP 11738(27)	863,045
Congestion Mitigation-Air Quality (CMA)		CMA-172E(508)IG JP 24350(05)	35,008
		CMA-172E(420)IG JP 19017(07)	71,565
		CMA-272E(003)IG JP29034(04)	31,081
		CMA-172E(468)IG JP 26769(04)	5,000
		CMA-172E(421)IG JP 19018(07)	135,262
<i>Subtotal</i>			<u>1,140,961</u>
Total U.S. Department of Transportation			<u>1,891,183</u>
<u>U. S Department of Energy</u>			
Direct Program -			
I-40 Collaboration of Clean Cities	81.086	DE-EE0006006	41,974
<i>Subtotal</i>			<u>41,974</u>
Pass-Through Program From:			
Oklahoma Department of Commerce -			
State Energy Program	81.041	15379 SEP 12	38,089
<i>Subtotal</i>			<u>38,089</u>
Total U.S. Department of Energy			<u>80,063</u>

The accompanying notes are an integral part of this schedule.

Indian Nations Council of Governments
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
FEDERAL PROGRAMS			
<u>U. S. Department of Homeland Security</u>			
Pass-Through Program From:			
Oklahoma Office of Homeland Security			
Tulsa Urban Areas Security Initiative	97.008	151.000 / FY09 292.001-292.009 / FY10	616,301 <u>1,103,037</u>
Total U.S. Department of Homeland Security			<u>1,719,338</u>
<u>U.S. Department of Health and Human Services</u>			
Direct Program -			
Center for Disease Control	93.737	1H75DP004397...Q1	<u>44,824</u>
<i>Subtotal</i>			<u>44,824</u>
Pass-Through Program From:			
Oklahoma Department of Human Services			
<i>Aging Cluster</i>			
Area Agency on Aging Title III Part B	93.044	PA# 11004956	703,763
Area Agency on Aging Title III Part C	93.045	PA# 11004956	1,268,326
Area Agency on Aging NSIP	93.053	PA# 11004956	<u>273,005</u>
<i>Subtotal Aging Cluster</i>			<u>2,245,094</u>
<i>Other Programs</i>			
Area Agency on Aging Title III Part D	93.043	PA# 11004956	35,772
Area Agency on Aging Title III Part E	93.041	PA# 11004956	289,098
Area Agency on Aging Title VII	93.052	PA# 11004956	10,043
Money Follows the Person (Living Choice) ADRC	93.779	PA#11026169	31,543
Money Follows the Person (Living Choice) ADRC	93.779	PA# 11022780	697
Medicare Improvements for Patients and Providers (MIPPA)	93.518	PA# 12015859	<u>10,564</u>
<i>Subtotal Other Programs</i>			<u>377,717</u>

The accompanying notes are an integral part of this schedule.

Indian Nations Council of Governments
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
FEDERAL PROGRAMS			
<u>U.S. Department of Health and Human Services</u>			
Pass-Through Program From:			
Oklahoma Insurance Department			
Senior Health Insurance Counseling			
Program (SHIP)	93.779	1N0CMS020203-20-00	8,533
Senior Medicare Patrol (CD) (SMP)	93.048	PA# 12015035 / 90MP0082-02	44,464
<i>Subtotal Other Programs</i>			<u>52,997</u>
Total U.S. Department of Health and Human Services			<u>2,720,632</u>
<u>U.S. Department of Agriculture</u>			
Pass-Through Program From:			
Oklahoma Department of Human Services			
Senior Farmers Market Nutrition			
Program (SFMNP)	10.576	12/13	1,252
Total U.S. Department of Agriculture			<u>1,252</u>
<u>U.S. Department of Commerce</u>			
Direct Program -			
Title II, Section 203 Planning Assistance:			
Continuation Planning	11.302	08-83-04679	44,269
Economic Adjustment Assistance	11.307	08-79-04456	107,551
Total U.S. Department of Commerce			<u>151,820</u>
Total Expenditures of Federal Awards			<u>\$ 6,564,288</u>

The accompanying notes are an integral part of this schedule.

Indian Nations Council of Governments
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

I. Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Indian Nations Council of Governments and is presented on the accrual basis of accounting. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

II. Expenditures

Expenditures represent the current year federal grant/contract portion only.

III. Noncash Awards

Indian Nations Council of Governments had no non-cash awards

IV. Subrecipients

Of the expenditures presented in the schedule of federal awards, Indian Nations Council of Governments provided federal awards to subrecipients as follows:

Program Title	Federal CFDA No.	Amount Passed-Through
<u>U.S. Department of Health and Human Services</u>		
Special Programs for the Aging, - Title III -		
Part B – Grants for Supportive Services and Senior Centers	93.044	\$ 546,044
Part C – Nutrition Services	93.045	1,158,930
Part D – Disease Prevention and Health Promotion Services	93.043	35,772
Part E – Caregiver Support	93.052	258,310
Area Agency on Aging NSIP	93.053	<u>273,005</u>
Total U.S. Department of Health and Human Services		<u>2,272,061</u>
 <u>U.S. Department of Transportation</u>		
Job Access – Reverse Commute	20.516	148,750
New Freedom	20.521	147,549
OK Vets Transit Program	20.500	235,949
Congestion Mitigation – Air Quality	20.205	<u>142,943</u>
Total U.S. Department of Transportation		<u>675,191</u>
 <u>U.S. Department of Homeland Security</u>		
Tulsa Urban Areas Security Initiative	97.008	<u>1,680,041</u>
Total U.S. Department of Homeland Security		<u>1,680,041</u>
Total pass-through to sub-recipients		<u>\$ 4,627,293</u>

Indian Nations Council of Governments
Schedule of Expenditures of State Awards
Year Ended June 30, 2013

State Grantor/ Pass-Through Grantor/ Program or Cluster Title	Pass-Through Entity Identifying Number	Expenditures
STATE PROGRAMS		
<u>Oklahoma Department of Commerce -</u>		
Community Expansion of Nutrition Assistance	15231 CENA 12	\$ 171,705
Substate Planning District	15316-SS 13	36,364
Rural Economic Action Plan	13473 REAP 2009	81,749
	13907 REAP 2010	58,867
	14452 REAP 2011	214,164
	14873 REAP 2012	274,793
	15285 REAP 2013	105,819
	Administration	27,658
Total Oklahoma Department of Commerce		<u>971,119</u>
<u>Oklahoma State Auditor and Inspector -</u>		
Rural Economic Action Plan	2001 REAP	6,548
	2008 REAP	26
Total State Auditor and Inspector		<u>6,574</u>
<u>Oklahoma Department of Agriculture, Food and Forestry -</u>		
Fire and Safety Services/Rural Fire Defense	FY 12-13	70,000
Total Oklahoma Department of Agriculture, Food and Forestry		<u>70,000</u>
<u>Oklahoma Secretary of the Environment</u>		
Water Quality Management Program	FY12 604(b)	4,062
	FY11 604(b)	21,581
Total Oklahoma Secretary of the Environment		<u>25,643</u>
<u>Oklahoma Department of Human Services -</u>		
Aging Services		
Title III, Part B - Supportive Services	FY 12-13	247,147
Part C - Congregate Meals	FY 12-13	917,845
Part D-Preventive Health	FY 12-13	6,313
Part E - Caregiver Support	FY 12-13	95,113
Title VII	FY 12-13	1,772
Total Oklahoma Department of Human Services		<u>1,268,190</u>
Total Expenditures of State Awards		<u>\$ 2,341,526</u>

Indian Nations Council of Governments
Summary Schedule of Prior Audit Findings

Financial Statement Findings

There were no matters reported in the prior year's audit report.

Federal Award Findings and Questioned Costs

There were no matters reported in the prior year's audit report.

Indian Nations Council of Governments
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
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)?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
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:	

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>
11.307	Economic Adjustment Assistance
97.008	Homeland Security – Tulsa Urban Areas Security Initiative
20.516 – 20.521	Transit Services Program Cluster
93.044 – 93.053	Aging cluster

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

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.