

*AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION*

**ASSOCIATION OF COUNTY COMMISSIONERS
OF OKLAHOMA**

June 30, 2015

Audited Financial Statements

ASSOCIATION OF COUNTY COMMISSIONERS
OF OKLAHOMA

June 30, 2015

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Independent Auditors' Report

The Board of Directors
Association of County Commissioners
of Oklahoma
Oklahoma City, Oklahoma

We have audited the accompanying financial statements of the Association of County Commissioners of Oklahoma (the "Association"), a nonprofit organization, which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Association'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 the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Association taken as a whole. The schedules of revenues and expenses by program for the years ended June 30, 2015 and 2014 on pages 14 and 15, respectively, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Bledsoe + Assoc., PLLC

Edmond, Oklahoma
January 7, 2016

STATEMENTS OF FINANCIAL POSITION
ASSOCIATION OF COUNTY COMMISSIONERS
OF OKLAHOMA

	June 30	
	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 716,540	\$ 566,012
Certificates of deposit	-	85,000
Investments	193,103	2,831
Grants receivable	62,847	8,794
Other receivables	776	5,840
Accrued interest	4,914	5,065
Prepaid expenses and other assets	<u>46,421</u>	<u>28,360</u>
Total current assets	1,024,601	701,902
Certificates of deposit	205,000	175,000
Investments	1,185,913	1,273,643
Property and equipment:		
Office furniture and equipment	221,197	209,141
Computer software	54,496	46,636
Vehicles	98,285	98,285
Leasehold improvements	516,711	516,711
Accumulated depreciation and amortization	<u>(601,501)</u>	<u>(495,832)</u>
Property and equipment, net	<u>289,188</u>	<u>374,941</u>
TOTAL ASSETS	<u>\$ 2,704,702</u>	<u>\$ 2,525,486</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 47,932	\$ 82,150
Deferred revenue	97,301	103,033
Current portion of capital lease obligations	<u>30,765</u>	<u>28,989</u>
Total current liabilities	175,998	214,172
Non-Current Liabilities:		
Capital lease obligations, net of current portion	54,239	84,955
Reserve for unallocated loss adjustment expenses	<u>63,000</u>	<u>73,000</u>
Total non-current liabilities	<u>117,239</u>	<u>157,955</u>
TOTAL LIABILITIES	<u>293,237</u>	<u>372,127</u>
Net Assets:		
Unrestricted	<u>2,411,465</u>	<u>2,153,359</u>
TOTAL NET ASSETS	<u>2,411,465</u>	<u>2,153,359</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,704,702</u>	<u>\$ 2,525,486</u>

See notes to financial statements.

STATEMENTS OF ACTIVITIES

ASSOCIATION OF COUNTY COMMISSIONERS
OF OKLAHOMA

	Year Ended June 30	
	2015	2014
	<u>Unrestricted</u>	<u>Unrestricted</u>
REVENUES AND OTHER SUPPORT		
Program administrative fees	\$ 1,741,340	\$ 1,605,142
Solid waste disposal program grant	690,512	412,000
Royalty income	257,619	225,988
Conference income	265,520	257,754
Association dues	363,050	359,200
Investment income	21,731	32,697
Deferred compensation - marketing fees	26,454	24,301
Other income	<u>52,175</u>	<u>57,921</u>
TOTAL REVENUES AND OTHER SUPPORT	3,418,401	2,975,003
EXPENSES		
Program Expenses:		
Safety and loss control program	259,582	253,311
Solid waste disposal program	650,512	377,000
Conferences and meetings	209,776	209,319
Legislative advocacy	83,357	112,536
County claims	1,340,378	1,217,266
OCCED Program Fund	453	-
Total program expenses	<u>2,544,058</u>	<u>2,169,432</u>
General Services:		
Administrative salaries, benefits and taxes	253,749	286,882
Other administrative costs	<u>362,488</u>	<u>267,271</u>
Total general services	616,237	554,153
TOTAL EXPENSES	<u>3,160,295</u>	<u>2,723,585</u>
CHANGE IN NET ASSETS	258,106	251,418
NET ASSETS AT BEGINNING OF YEAR	<u>2,153,359</u>	<u>1,901,941</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,411,465</u>	<u>\$ 2,153,359</u>

See notes to financial statements.

STATEMENTS OF CASH FLOWS

ASSOCIATION OF COUNTY COMMISSIONERS
OF OKLAHOMA

	Year Ended June 30	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 258,106	\$ 251,418
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	105,669	104,872
Gain on disposal of equipment	-	(8,000)
Unrealized loss (gain) on investments	2,184	(5,918)
Changes in operating assets and liabilities:		
Grants receivable	(54,053)	(4,220)
Other receivables	5,064	(5,095)
Accrued interest	151	(690)
Prepaid expenses and other assets	(18,061)	22,689
Accounts payable and accrued liabilities	(34,218)	17,082
Deferred revenue	(5,732)	8,765
Reserve for unallocated loss adjustment	(10,000)	(10,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>249,110</u>	<u>370,903</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net proceeds from certificates of deposit maturities	55,000	(11,000)
Acquisition of capital assets, net	(19,916)	(71,178)
Net purchases of investments	(104,726)	(218,768)
NET CASH USED IN INVESTING ACTIVITIES	<u>(69,642)</u>	<u>(300,946)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on capital lease obligations	(28,940)	(26,734)
NET CASH USED IN FINANCING ACTIVITIES	<u>(28,940)</u>	<u>(26,734)</u>
NET INCREASE IN CASH	150,528	43,223
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>566,012</u>	<u>522,789</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 716,540</u>	<u>\$ 566,012</u>
SUPPLEMENTAL CASH FLOW DISCLOSURE:		
Cash paid for interest on capital lease obligations	<u>\$ 5,832</u>	<u>\$ 7,719</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

ASSOCIATION OF COUNTY COMMISSIONERS OF OKLAHOMA

June 30, 2015

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: The Association of County Commissioners of Oklahoma (the “Association”) was formed as a nonprofit corporation on February 26, 1981. The purpose of the Association is to provide assistance to county governments in their cooperation efforts with federal, state, and other local government agencies. The Association also assists county governments with research information and support, training, and other matters related to the conduct of the day-to-day business of county government.

Basis of Accounting: The Association prepares its financial statements using the accrual basis of accounting. Under the accrual basis of accounting, revenue is recorded when earned and expenses are recorded when incurred. Revenues earned but not received and expenses incurred but not paid are recorded as receivables and payables, respectively, on the statement of financial position. Net assets represent cumulative revenue over expenses incurred.

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board under ASC 958-205, *Financial Statements of Not-for-Profit Organizations*. Under ASC 958-205, the Association is required to report information regarding its financial position and activities according to three classes of net assets as follows:

- Unrestricted net assets – Net assets that are generally not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.
- Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Association and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Association does not have any temporarily restricted net assets as of June 30, 2015 or 2014.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. The Association does not have any permanently restricted net assets as of June 30, 2015 or 2014.

NOTES TO FINANCIAL STATEMENTS--CONTINUED

ASSOCIATION OF COUNTY COMMISSIONERS
OF OKLAHOMA

June 30, 2015

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--CONTINUED

Cash and Cash Equivalents: For purposes of the statements of cash flows, the Association considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Certificates of Deposit: The Association's certificates of deposit have original maturities ranging from nine months to six years and are carried at cost. The reported value of the certificates of deposit approximates fair value.

Property and Equipment: Property and equipment are carried at cost at the date of acquisition or fair value at the date of donation in the case of gifts, net of accumulated depreciation and amortization. Depreciation on property and equipment is computed using the straight-line method over the estimated useful lives of the assets as follows: Office furniture and equipment – 5 to 7 years; Computer software – 5 years; Vehicles – 5 years; Leasehold improvements – 10 years.

Concentrations of Credit Risk: The Association maintains deposits at financial institutions which, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on cash or cash equivalents or certificates of deposit.

The Association receives administrative and royalty fees for the claims services it provides to the Association of County Commissioners of Oklahoma Self-Insured Group ("ACCO-SIG") and the Association of County Commissioners of Oklahoma Self-Insured Fund ("ACCO-SIF"), and the support of ACCO-SIG's self-insured program. If these contracts were not renewed it could have a negative impact on the Association's financial operating results.

Deferred Revenue: Deferred revenue consists of vendor dues collected based on the calendar year. One half of the dues collected are deferred until the next fiscal year. Deferred revenue also includes conference registration and advertising income which has been received for conferences occurring in the next fiscal year.

Accounts and Grants Receivable: Accounts and grants receivable consist primarily of reimbursements to be received under the solid waste clean-up grant. The Association considers trade receivables past due when they are outstanding for more than 30 days. The Association uses the direct write-off method to recognize bad debt. Management considers all receivables outstanding at June 30, 2015 and 2014 to be collectible, therefore, an allowance is not considered necessary.

NOTES TO FINANCIAL STATEMENTS--CONTINUED

ASSOCIATION OF COUNTY COMMISSIONERS OF OKLAHOMA

June 30, 2015

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--CONTINUED

Tax Status: The Association qualifies as an organization exempt from income taxes under Section 501 (c)(4) of the Internal Revenue code, and therefore has no provision for federal or state income taxes related to normal operating activities. The Association is subject to federal taxes in relation to any profits realized from unrelated business income ("UBI"). During 2015 and 2014 the Association received UBI in relation to advertisements and sales of directories and memorabilia. At June 30, 2015 and 2014, approximately \$6,000 and \$11,000, respectively, is included in other assets in relation to tax payments made in excess of its estimated tax liability.

Tax Status, Continued: Uncertain tax positions represent the Association's expected treatment of a tax position taken in a filed tax return, or planned to be taken in a future tax return, that has not been reflected in measuring income tax expense for financial reporting purposes. Until such positions are sustained by the taxing authorities, the Association would not recognize the tax benefits resulting from such positions and would report the tax effect as a liability. The Association's policy is to recognize any interest related to uncertain tax benefits in interest expense. Penalties are recognized as additional income tax expense. For the years ended June 30, 2015 and 2014, the Association had no uncertain tax positions and therefore has no unrecognized tax benefits and related interest and penalties expenses. Currently, the Association is not subject to examination by major tax jurisdictions. With few exceptions, the Association is no longer subject to income tax examinations by the U.S. Federal, State, or local authorities for years before 2012.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events: Subsequent events have been evaluated through January 7, 2016, which is the date the financial statements were available to be issued.

NOTE B--FAIR VALUE MEASUREMENTS

The Association has determined the fair value of certain assets and liabilities in accordance with the provisions of FASB ASC 820, *Fair Value Measurements* ("ASC 820"), which provides a framework for measuring fair value under generally accepted accounting principles. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy has been established that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels.

NOTES TO FINANCIAL STATEMENTS--CONTINUED

ASSOCIATION OF COUNTY COMMISSIONERS
OF OKLAHOMA

June 30, 2015

NOTE B--FAIR VALUE MEASUREMENTS--CONTINUED

The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Association uses quoted market prices to determine the fair value of an asset or liability when available. If quoted market prices are not available, the Association determines the fair value using valuation techniques, generally the market approach and/or income approach, to determine fair value.

Following is a description of methodologies used for instruments measured at fair value on a recurring basis:

Investments: Government mortgage backed securities and corporate bonds are independently valued by the fund manager and are classified within Level 2 due to their proprietary nature.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Association's assets at fair value as of June 30:

	2015			
	Level 1	Level 2	Level 3	Total
ASSETS				
Government securities	\$ -	\$ 824,366	\$ -	\$ 824,366
Government bonds	-	278,746	-	278,746
Corporate bonds	-	275,904	-	275,904
Total assets accounted for at fair value	<u>\$ -</u>	<u>\$ 1,379,016</u>	<u>\$ -</u>	<u>\$ 1,379,016</u>

NOTES TO FINANCIAL STATEMENTS--CONTINUED

ASSOCIATION OF COUNTY COMMISSIONERS
OF OKLAHOMA

June 30, 2015

NOTE B--FAIR VALUE MEASUREMENTS--CONTINUED

	2014			
	Level 1	Level 2	Level 3	Total
ASSETS				
Government securities	\$ -	\$ 736,585	\$ -	\$ 736,585
Government bonds	-	280,881	-	280,881
Corporate bonds	-	259,008	-	259,008
Total assets accounted for at fair value	<u>\$ -</u>	<u>\$ 1,276,474</u>	<u>\$ -</u>	<u>\$ 1,276,474</u>

NOTE C--CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at June 30:

	2015	2014
Cash in bank	\$ 378,419	\$ 192,189
Money market	<u>338,121</u>	<u>373,823</u>
	<u>\$ 716,540</u>	<u>\$ 566,012</u>

NOTE D--CAPITAL LEASE OBLIGATIONS

The Association entered into a lease agreement for office equipment in June 2012. Terms of the lease call for quarterly lease payments ranging from \$1,954 to \$2,119 over 5 years. This lease meets the criteria of a capital lease. The leased equipment has a capitalized cost of \$30,000 at June 30, 2015 and 2014. The equipment has accumulated depreciation of \$18,000 and \$12,000 at June 30, 2015 and 2014, respectively. Depreciation expense related to the leased equipment was \$6,000 for each of the years ended June 30, 2015 and 2014.

The Association entered into a lease agreement for office equipment in March 2013. Terms of the lease call for monthly lease payments of \$2,191 over 5 years. This lease meets the criteria of a capital lease. The leased equipment has a capitalized cost of \$118,499 at June 30, 2015 and 2014. The equipment has accumulated depreciation of \$53,325 and \$29,625 at June 30, 2015 and 2014, respectively. Depreciation expense related to the leased equipment was \$23,700 for each of the years ended June 30, 2015 and 2014.

NOTES TO FINANCIAL STATEMENTS--CONTINUED

ASSOCIATION OF COUNTY COMMISSIONERS
OF OKLAHOMA

June 30, 2015

NOTE D--CAPITAL LEASE OBLIGATIONS--CONTINUED

The following summarizes the future minimum lease payments under the capital leases as of June 30, 2015:

Year Ended June 30,	Payment	Less Interest Expense	Principal
2016	34,772	4,007	30,765
2017	34,822	2,085	32,737
2018	21,915	413	21,502
	<u>\$ 91,509</u>	<u>\$ 6,505</u>	<u>\$ 85,004</u>

NOTE E--RESERVE FOR UNALLOCATED LOSS ADJUSTMENT EXPENSES

Unallocated loss adjustment expenses (“ULAE”) represent the costs of servicing claims that cannot be directly allocated to an individual claim. The claims servicing contract between the Association and ACCO-SIG and ACCO-SIF, states that, in the event the contract is terminated, the Association is responsible for servicing all open claims with a date of loss prior to July 1, 1998. ACCO-SIF and ACCO-SIG are responsible for handling open claims with a date of loss on or after July 1, 1998.

An actuarial study is utilized to estimate the total amount of ULAE. The ULAE in the actuary report is a total for all open claims, regardless of date of loss. According to the actuary, the ULAE estimate on June 30, 2015, the date of the most recent valuation, is \$1,142,753 and \$1,441,852 for ACCO-SIF and ACCO-SIG, respectively. The ULAE estimate on June 30, 2014 was \$1,361,835 and \$1,223,858 for ACCO-SIF and ACCO-SIG, respectively.

The Association estimated its share of ULAE by multiplying the loss reserves at year end for those claims with a date of loss prior to July 1, 1998 (16) by the estimated ULAE percentage (4.5%) used by the actuaries. As of June 30, 2015 and 2014, the Association estimates a net reserve for ULAE of \$63,000 and \$73,000, respectively.

NOTES TO FINANCIAL STATEMENTS--CONTINUED

ASSOCIATION OF COUNTY COMMISSIONERS OF OKLAHOMA

June 30, 2015

NOTE F--RELATED PARTIES

The Association shares certain administrative expenses with ACCO-SIG and ACCO-SIF, self-insured programs established pursuant to the State of Oklahoma Interlocal Cooperation Act of the Oklahoma statutes, Title #74 under the Oklahoma Code annotated. ACCO-SIG and ACCO-SIF provide property and casualty and workers' compensation insurance coverage to county governments and related entities.

The Association provides claims processing services for both ACCO-SIG and ACCO-SIF. The Association is responsible for claims adjudication of all workers compensation, property and liability loss claims arising in these two self-insured programs. The Association received \$947,833 and \$822,833 from ACCO-SIG for the years ended June 30, 2015 and 2014, respectively; and \$793,507 and \$782,309 from ACCO-SIF for the years ended June 30, 2015 and 2014, respectively, for the performance of these services, per the claims service agreements. There were no amounts remaining unpaid under these agreements at June 30, 2015 or 2014.

In order to compensate the Association for its role in the creation and continued support of ACCO-SIG's insurance coverage to counties in Oklahoma, the Association entered into a royalty agreement with ACCO-SIG effective May 2008. In the agreement, ACCO-SIG agreed to pay a royalty fee to ACCO in the amount of 3% of ACCO-SIG's total annual collected premium for the fiscal year. This agreement may be modified in June of each year upon mutual agreement of both parties. ACCO-SIG paid royalty fees to ACCO in the amount of \$257,619 and \$225,988 for the years ended June 30, 2015 and 2014, respectively.

The Association currently occupies a building leased from ACCO-SIG and ACCO-SIF. A lease was signed March 12, 2008. Terms of the lease include monthly rental payments of \$2,100 per month. The original lease term expired June 30, 2008, but the lease allows for annual one-year renewals after the expiration of the original term which was exercised for the years ended June 30, 2015 and 2014. Total rent paid to ACCO-SIG and ACCO-SIF was \$25,200 per year for the years ended June 30, 2015 and 2014.

NOTE G--RETIREMENT PLAN

The Association provides retirement benefits for all employees in the form of contributions to a defined contribution plan (the "Plan") administered by Nationwide Retirement Solutions. An employee becomes fully vested in the Plan at completion of 1,000 hours of service. A contribution was made to the account of each employee equal to 9% of the employee's respective annual compensation level. In February 2015, the contribution rate increased to 12% of the employee's respective annual compensation level. For the year ended June 30, 2015, the Association contributed approximately \$117,000 on covered compensation of approximately \$1,168,000. For the year ended June 30, 2014, the Association contributed approximately \$96,000 on covered compensation of approximately \$1,099,000.

NOTES TO FINANCIAL STATEMENTS--CONTINUED

ASSOCIATION OF COUNTY COMMISSIONERS OF OKLAHOMA

June 30, 2015

NOTE H--SUBSEQUENT EVENT

On September 14, 2015, the Association reached a settlement agreement with a former employee. The Association's financial exposure under this agreement was minimal.

NOTE I--RECENTLY ISSUED ACCOUNTING PRONOUNCEMENT

FASB has issued new accounting guidance which will be effective for the Association in future years. A description of the new accounting guidance and the fiscal year in which it will be effective is described below:

Fiscal Year Ended June 30, 2020

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The amendments in ASU 2014-09 affect any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets and supersedes the revenue recognition requirements in *Revenue Recognition (Topic 605)*, and most industry-specific guidance. ASU 2014-09 also supersedes some cost guidance included in *Revenue Recognition-Construction-Type and Production-Type Contracts (Subtopic 605-35)*.

ASU 2014-09's core principle is that an entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. In doing so, entities will need to use more judgment and make more estimates than under today's guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation.

For nonpublic entities, the provisions of FASB ASU 2014-09 are effective for fiscal years beginning after December 15, 2018. The Association's management is evaluating the impact the adoption of ASU 2014-09 will have on its financial statements in future reporting periods.

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM

ASSOCIATION OF COUNTY COMMISSIONERS
OF OKLAHOMA

Year ended June 30, 2015

	Safety and Loss Control	Solid Waste Disposal	Conferences and Meetings	Legislative Advocacy	County Claims	OCCED Program Fund	General Services	Totals
REVENUES AND OTHER SUPPORT								
Program administrative fees	\$ 304,747	\$ -	\$ 30,000	\$ -	\$ 1,406,593	\$ -	\$ -	\$ 1,741,340
Solid waste disposal program grant	-	650,512	-	-	-	-	40,000	690,512
Royalty income	-	-	-	110,000	-	-	147,619	257,619
Conference income	-	-	265,230	-	-	-	290	265,520
Association dues	-	-	-	-	-	-	363,050	363,050
Investment income	-	-	-	-	-	-	21,731	21,731
Deferred compensation - marketing fees	-	-	-	-	-	-	26,454	26,454
Other income	250	-	-	-	10,000	-	41,925	52,175
TOTAL REVENUES AND OTHER SUPPORT	304,997	650,512	295,230	110,000	1,416,593	-	641,069	3,418,401
EXPENSES								
Salaries	123,452	-	8,703	6,818	836,187	-	192,834	1,167,994
Bank service fee	-	-	-	-	3,874	-	19,189	23,063
Benefits	29,586	-	353	1,330	194,743	-	46,258	272,270
Board of Directors E&O insurance	291	-	-	-	2,621	-	2,912	5,824
Claims E&O insurance	-	-	-	-	38,815	-	-	38,815
Communications	3,746	-	-	15	18,194	-	16,411	38,366
Conferences/meetings	37,478	-	182,505	1,875	-	-	15,694	237,552
Consulting	-	-	-	66,032	5,363	-	2,532	73,927
Contract labor	467	-	4,190	-	-	-	13,205	17,862
Depreciation and amortization	17,538	-	-	-	51,907	-	36,224	105,669
Donations	-	-	-	-	-	-	3,100	3,100
Dues and subscriptions	978	-	-	-	5,167	-	7,056	13,201
Equipment lease/supplies	4,030	-	1,704	6	4,576	-	8,798	19,114
Furniture and equipment	9,073	-	33	-	50,397	-	22,777	82,280
Hardships	-	-	-	-	-	-	1,000	1,000
Income taxes	-	-	-	-	-	-	4,828	4,828
Interest expense	1,944	-	-	-	1,944	-	1,944	5,832
Legal and professional	2,402	-	-	-	2,431	-	90,727	95,560
Memorabilia	76	-	655	-	-	-	1,889	2,620
Payroll taxes	9,199	-	705	501	61,758	-	14,657	86,820
Postage	797	-	926	100	9,713	-	11,488	23,024
Printing artwork	235	-	2,876	-	3,122	-	24,664	30,897
Property insurance	269	-	-	-	4,262	-	805	5,336
Registration	50	-	-	-	1,665	-	3,710	5,425
Rent	3,696	-	-	-	21,504	-	-	25,200
Repair and maintenance	-	-	-	-	700	-	7,456	8,156
Solid waste grants	-	650,512	-	-	-	-	-	650,512
Supplies	720	-	1,503	-	5,259	-	9,498	16,980
Travel	9,871	-	5,579	6,680	6,345	453	50,341	79,269
Vehicle expense	3,676	-	44	-	3,015	-	3,879	10,614
Miscellaneous	8	-	-	-	6,816	-	2,361	9,185
TOTAL EXPENSES	259,582	650,512	209,776	83,357	1,340,378	453	616,237	3,160,295
CHANGE IN NET ASSETS BY PROGRAM	\$ 45,415	\$ -	\$ 85,454	\$ 26,643	\$ 76,215	\$ (453)	\$ 24,832	\$ 258,106

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM

ASSOCIATION OF COUNTY COMMISSIONERS
OF OKLAHOMA

Year ended June 30, 2014

	Safety and Loss Control	Solid Waste Disposal	Conferences and Meetings	Legislative Advocacy	County Claims	General Services	Totals
REVENUES AND OTHER SUPPORT							
Program administrative fees	\$ 297,550	\$ -	\$ 36,299	\$ -	\$ 1,271,293	\$ -	\$ 1,605,142
Solid waste disposal program grant	-	377,000	-	-	-	35,000	412,000
Royalty income	-	-	-	110,000	-	115,988	225,988
Conference income	-	-	257,754	-	-	-	257,754
Association dues	-	-	-	-	-	359,200	359,200
Investment income	-	-	-	-	-	32,697	32,697
Deferred compensation - marketing fees	-	-	-	-	-	24,301	24,301
Other income	4,180	-	-	-	14,000	39,741	57,921
TOTAL REVENUES AND OTHER SUPPORT	301,730	377,000	294,053	110,000	1,285,293	606,927	2,975,003
EXPENSES							
Salaries	123,013	-	6,069	16,301	733,073	220,391	1,098,847
Bank service fee	-	-	-	-	4,205	17,810	22,015
Benefits	27,178	-	306	3,496	167,289	49,857	248,126
Board of Directors E&O insurance	270	-	-	-	2,426	2,696	5,392
Claims E&O insurance	-	-	-	-	39,363	-	39,363
Communications	2,921	-	-	-	17,238	17,671	37,830
Conferences/meetings	35,021	-	187,525	3,299	536	14,207	240,588
Consulting	-	-	-	66,000	3,028	-	69,028
Contract labor	-	-	3,710	2,000	-	13,000	18,710
Depreciation and amortization	17,014	-	-	-	53,976	33,882	104,872
Donations	-	-	-	-	-	1,500	1,500
Dues and subscriptions	1,250	-	-	-	4,464	15,052	20,766
Equipment lease/supplies	4,247	-	1,707	9	4,777	6,061	16,801
Furniture and equipment	10,359	-	40	-	55,342	25,600	91,341
Hardships	-	-	-	-	-	1,000	1,000
Income taxes	-	-	-	-	-	1,364	1,364
Interest expense	2,459	-	-	-	2,459	2,801	7,719
Legal and professional	1,306	-	-	8,474	2,550	9,710	22,040
Memorabilia	-	-	-	-	-	578	578
Payroll taxes	9,011	-	491	1,207	52,925	16,634	80,268
Postage	1,167	-	800	-	9,281	12,602	23,850
Printing artwork	191	-	1,510	28	4,595	23,601	29,925
Property insurance	127	-	-	-	509	636	1,272
Registration	1,329	-	-	-	4,651	4,927	10,907
Rent	3,696	-	-	-	21,504	-	25,200
Repair and maintenance	-	-	-	145	2,969	3,555	6,669
Solid waste grants	-	377,000	-	-	-	-	377,000
Supplies	1,436	-	3,554	15	7,396	6,349	18,750
Travel	7,902	-	3,588	11,562	18,247	43,645	84,944
Vehicle expense	3,345	-	19	-	3,809	8,231	15,404
Miscellaneous	69	-	-	-	654	793	1,516
TOTAL EXPENSES	253,311	377,000	209,319	112,536	1,217,266	554,153	2,723,585
CHANGE IN NET ASSETS BY PROGRAM	\$ 48,419	\$ -	\$ 84,734	\$ (2,536)	\$ 68,027	\$ 52,774	\$ 251,418