

**Financial Statements and Reports of  
Independent Certified Public Accountant  
Delaware Tribe of Indians  
September 30, 2013**

**TURNER & ASSOCIATES, PLC  
Certified Public Accountants  
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**Delaware Tribe of Indians  
Tribal Council  
September 30, 2013**

**Tribal Council**

Chief	Paula Pechonick
Assistant Chief	Chester Brooks
Secretary	Verna Crawford
Member	Jenifer Pechonick
Member	Annette Ketchum
Member	Nate Young

**Treasurer**

Janifer Brown

**Delaware Tribe of Indians**  
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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Tribal Council of the  
Delaware Tribe of Indians

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delaware Tribe of Indians, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Authority's 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Delaware Tribe of Indians as of September 30, 2013, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplemental Information*

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2014 on our consideration of the Delaware Tribe of Indian's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the Delaware Tribe of Indian's internal control over financial reporting and compliance.

*TURNER & Associates, PLLC*

Vinita, OK  
June 28, 2014



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

To the Tribal Council  
Delaware Tribe of Indians

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delaware Tribe of Indians, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise Delaware Tribe of Indian's basic financial statements and have issued our report thereon dated June 28, 2014. We also stated in our report that management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Delaware Tribe of Indian's 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 Delaware Tribe of Indian's internal control. Accordingly, we do not express an opinion on the effectiveness of the Delaware Tribe of Indian's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 charges 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 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.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Delaware Tribe of Indian's financial statements are free from 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 matter that is required to be reported under *Government Auditing Standards*.

### **Delaware Tribe of Indian's Responses to Findings**

Delaware Tribe of Indian's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Delaware Tribe of Indian's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

TURNER & ASSOCIATES, PLLC

Vinita, OK  
June 28, 2014



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Tribal Council  
Delaware Tribe of Indians

**Report on Compliance for Each Major Federal Program**

We have audited the Delaware Tribe of Indians, Oklahoma's, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Delaware Tribe of Indians, Oklahoma's major federal programs for the year ended September 30, 2013. Delaware Tribe of Indian's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Delaware Tribe of Indian's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Afton School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, the Delaware Tribe of Indian's complied, in all material aspects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.



## ***Report on Internal Control Over Compliance***

Management of the Delaware Tribe of Indians 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 the Delaware Tribe of Indian's 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 the Delaware Tribe of Indian's internal control over compliance.

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

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.

## **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Delaware Tribe of Indians, Oklahoma as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Tribe's financial statements. We issued our report thereon dated June 28, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*TURNER & Associates, PLLC*

Vinita, Oklahoma  
June 28, 2014

**Delaware Tribe of Indians  
Statement of Net Position  
September 30, 2013**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 576,802.21	\$ 301,526.64	\$ 878,328.85
Investments	4,468,054.24	1,903,515.92	6,371,570.16
Due from Other Governments	180,114.84	-	180,114.84
Accounts Receivable	173,104.53	426,365.66	599,470.19
Inventory Held for Resale	-	101,914.28	101,914.28
Other Assets	2,061.01	63,535.50	65,596.51
<b>Total Current Assets</b>	<b>5,400,136.83</b>	<b>2,796,858.00</b>	<b>8,196,994.83</b>
Non Current Assets:			
Housing Inventory Held for Resale	-	1,659,582.90	1,659,582.90
Land	283,480.00	1,532,714.85	1,816,194.85
Property, Plant and Equipment, net	6,360,523.24	3,862,360.55	10,222,883.79
<b>Total Noncurrent Assets</b>	<b>6,644,003.24</b>	<b>7,054,658.30</b>	<b>13,698,661.54</b>
<b>TOTAL ASSETS</b>	<b>12,044,140.07</b>	<b>9,851,516.30</b>	<b>21,895,656.37</b>
<b>LIABILITIES</b>			
Accounts Payable	250,742.66	52,748.90	303,491.56
Due to Other Governments	-	150,037.92	150,037.92
Due to Other Entities	-	650,390.00	650,390.00
Accrued Expenses	49,831.31	3,801.30	53,632.61
Homebuyer's Equity	-	505,955.34	505,955.34
Security Deposits	-	35,452.27	35,452.27
Deferred grant revenues	296,584.80	-	296,584.80
<b>TOTAL LIABILITIES</b>	<b>597,158.77</b>	<b>1,398,385.73</b>	<b>1,995,544.50</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,644,003.24	4,155,780.48	10,799,783.72
Restricted for:			
Expendable permanent fund	216,719.25	-	216,719.25
Nonexpendable permanent fund	3,821,529.61	-	3,821,529.61
Program services	-	-	-
Housing	-	3,025,335.17	3,025,335.17
Unrestricted	764,729.20	1,272,014.92	2,036,744.12
<b>TOTAL NET POSITION</b>	<b>\$ 11,446,981.30</b>	<b>\$ 8,453,130.57</b>	<b>\$ 19,900,111.87</b>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Delaware Tribe of Indians**  
**Statement of Activities**  
**September 30, 2013**

Functions/Programs	Expenses	Program Revenues		Net (Expense) / Revenue	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
<b>Functions/Programs</b>					
Primary Government					
<b>Governmental activities</b>					
General Government	\$ 140,217.94	\$ 100,043.65	\$ -	\$ 37,447.66	\$ (2,726.63)
Child Development	1,633,176.80	-	1,633,176.80	-	-
Social Services	113,672.69	-	113,672.69	-	-
Education	50,191.37	-	50,191.37	-	-
Cultural	137,188.17	-	137,188.17	-	-
Economic Development	72,830.40	-	72,830.40	-	-
<b>Total Governmental Activities</b>	<u>2,147,277.37</u>	<u>100,043.65</u>	<u>2,007,059.43</u>	<u>37,447.66</u>	<u>(2,726.63)</u>
<b>Business-Type Activities</b>					
Delaware Enterprise Authority	277,115.60	-	-	-	(277,115.60)
Delaware Housing Program	1,346,177.96	275,688.17	700,519.00	-	(369,970.79)
Nonmajor Enterprise Funds	62,927.38	16,340.91	-	-	(46,586.47)
<b>Total Business-Type Activities</b>	<u>1,686,220.94</u>	<u>292,029.08</u>	<u>700,519.00</u>	<u>-</u>	<u>(693,672.86)</u>
<b>Total Primary Government</b>	<u>\$ 3,833,498.31</u>	<u>\$ 392,072.73</u>	<u>\$ 2,707,578.43</u>	<u>\$ 37,447.66</u>	<u>\$ (696,399.49)</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

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**Delaware Tribe of Indians**  
**Statement of Activities (continued)**  
**For the Year Ended September 30, 2013**

	Governmental Activities		
	Governmental Activities	Business- Type Activities	Total
<b>Changes in Net Asset:</b>			
Net (Expense)/Revenue	\$ (2,726.63)	\$ (693,672.86)	\$ (696,399.49)
General Revenues:			
Taxes:			
Motor fuel taxes	153,520.29	-	153,520.29
Investment Income	150,643.23	150,001.56	300,644.79
Space Cost Pool	270,388.93	-	270,388.93
Other	1,055,572.31	91,689.75	1,147,262.06
Indirect Cost Income	223,620.56	-	223,620.56
Total General Revenues and Transfers	<u>1,853,745.32</u>	<u>241,691.31</u>	<u>2,095,436.63</u>
Change in Net Position	1,851,018.69	(451,981.55)	1,399,037.14
Net Position, Beginning of Year	<u>9,595,962.61</u>	<u>8,905,112.12</u>	<u>18,501,074.73</u>
<b>Net Position, End of Year</b>	<u><u>\$ 11,446,981.30</u></u>	<u><u>\$ 8,453,130.57</u></u>	<u><u>\$ 19,900,111.87</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Delaware Tribe of Indians**  
**Balance Sheet – Governmental Funds**  
**September 30, 2013**

	General Fund	150-State Fuel Tax	202- Department of Interior	325- Passthrough Cherokee Nation	Space Cost Pool	Indirect Cost Pool	Delaware Trust Authority	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 63,980.84	\$ (5,550.77)	\$ 48,383.68	\$ 152,224.34	\$ 99,935.01	\$ 829.32	\$ 153,152.43	\$ 63,847.36	\$ 576,802.21
Investments	582,217.92	-	-	-	-	-	3,885,836.32	-	4,468,054.24
Due from Other Governments	22,894.03	-	-	-	240.55	-	-	156,980.26	180,114.84
Due from Other Funds	204.28	-	-	-	6,354.28	7,887.30	-	158,658.67	173,104.53
Deposit w/3rd Party	-	-	-	-	-	2,061.01	-	-	2,061.01
<b>TOTAL ASSETS</b>	<b>\$ 669,297.07</b>	<b>\$ (5,550.77)</b>	<b>\$ 48,383.68</b>	<b>\$ 152,224.34</b>	<b>\$ 106,529.84</b>	<b>\$ 10,777.63</b>	<b>\$ 4,038,988.75</b>	<b>\$ 379,486.29</b>	<b>\$ 5,400,136.83</b>
<b>LIABILITIES AND FUND EQUITY</b>									
<b>Liabilities:</b>									
Accounts Payable	\$ 854.37	\$ 158,360.26	\$ 1,325.89	\$ 3.00	\$ 20,984.90	\$ 1,376.77	\$ 739.89	\$ 67,097.58	\$ 250,742.66
Accrued Liabilities	-	-	4,767.90	69.66	-	3,566.58	-	17,846.25	26,250.39
Due to Other Funds	-	-	-	-	-	-	-	14,241.60	14,241.60
Deferred Grant Revenue	-	-	42,289.89	152,151.68	-	-	-	102,143.23	296,584.80
<b>Total Liabilities</b>	<b>854.37</b>	<b>158,360.26</b>	<b>48,383.68</b>	<b>152,224.34</b>	<b>20,984.90</b>	<b>4,943.35</b>	<b>739.89</b>	<b>201,328.66</b>	<b>587,819.45</b>
<b>Fund Equity:</b>									
Cash Fund Equity, Unassigned	668,442.70	(163,911.03)	-	-	85,544.94	5,834.28	4,038,248.86	178,157.63	4,812,317.38
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 669,297.07</b>	<b>\$ (5,550.77)</b>	<b>\$ 48,383.68</b>	<b>\$ 152,224.34</b>	<b>\$ 106,529.84</b>	<b>\$ 10,777.63</b>	<b>\$ 4,038,988.75</b>	<b>\$ 379,486.29</b>	<b>\$ 5,400,136.83</b>

Reconciliation to the Statement of Net Position

Total Governmental Funds Equity \$ 4,812,317.38

Amounts reported for governmental activities in the Statement of Net Assets  
are different because:

Capital assets used in governmental activities are not financial resources and therefore,  
are not reported as assets in governmental funds. The cost of the assets is \$8,670,932.80  
and the accumulated depreciation is \$1,726,929.56 for a net book value of \$6,644,033.24

6,644,033.24

Long-term liabilities, including compensated absences, are not due and payable in the  
current period and therefore are not reported as liabilities in the funds. Long-term liabilities  
at year-end consist of:

Compensated Absences

(9,339.32)

Net Position of Governmental Activities

\$ 11,446,981.30

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Delaware Tribe of Indians**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds**  
**For the Year Ended September 30, 2013**

	General Fund	State Fuel Tax Fund	Department of Interior	Passthrough Cherokee Nation	Space Cost Pool	Indirect Cost Pool	Delaware Trust Authority	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>									
Federal grants and contracts	\$ -	\$ -	\$ 382,649.90	\$ -	\$ -	\$ -	\$ -	\$ 598,797.96	\$ 981,447.86
Other grants and contracts	-	-	-	25,970.83	-	-	-	11,476.83	37,447.66
Tax revenue	-	153,520.29	-	-	-	-	-	-	153,520.29
Investment Income	25,663.27	-	-	-	-	-	124,979.12	0.84	150,643.23
Charges to other programs and funds	-	-	-	-	-	-	-	-	-
Fees for services	-	-	-	-	-	-	-	6,901.45	6,901.45
Historic preservation office revenue	-	-	-	-	-	-	-	93,142.20	93,142.20
Miscellaneous	2,922.19	-	-	-	270,388.93	223,620.56	357,204.02	29,995.98	884,131.68
Total Revenues	<u>28,585.46</u>	<u>153,520.29</u>	<u>382,649.90</u>	<u>25,970.83</u>	<u>270,388.93</u>	<u>223,620.56</u>	<u>482,183.14</u>	<u>740,315.26</u>	<u>2,307,234.37</u>
<b>Expenditures:</b>									
General Government	47,765.11	155,507.38	382,649.90	25,970.83	312,339.26	212,412.39	167,753.17	468,996.70	1,773,394.74
Child Development	-	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	62,789.32	50,883.37	113,672.69
Education	-	-	-	-	-	-	47,782.71	2,408.66	50,191.37
Cultural	-	-	-	-	-	-	8,417.93	128,770.24	137,188.17
Economic Development	-	-	-	-	-	-	72,830.40	-	72,830.40
Total Expenditures	<u>47,765.11</u>	<u>155,507.38</u>	<u>382,649.90</u>	<u>25,970.83</u>	<u>312,339.26</u>	<u>212,412.39</u>	<u>359,573.53</u>	<u>651,058.97</u>	<u>2,147,277.37</u>
Net Change in Fund Balance	(19,179.65)	(1,987.09)	-	-	(41,950.33)	11,208.17	122,609.61	89,256.29	159,957.00
Fund Balance, Beginning of Year	687,622.35	(161,923.94)	-	-	127,495.27	(5,373.89)	3,915,639.25	88,901.34	4,652,360.38
Fund Balance, End of Year	<u>\$ 668,442.70</u>	<u>\$ (163,911.03)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,544.94</u>	<u>\$ 5,834.28</u>	<u>\$ 4,038,248.86</u>	<u>\$ 178,157.63</u>	<u>\$ 4,812,317.38</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Delaware Tribe of Indians**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures**  
**and Changes in Fund Balances to the Government-Wide Statement of Activities**  
**For the Year Ended September 30, 2013**

Net Change in Fund Balances - Governmental Funds	\$	159,957.00
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Amounts reported for governmental activities in the Statement of Activities are different because:

In the governmental funds, capital outlays are reported as expenditures while in the government-wide statement of activities, depreciation expense is reported to allocate those expenditures over the life of the assets.

Capital asset purchases capitalized	1,915,355.89	
Depreciation expense	<u>(220,126.00)</u>	1,695,229.89

Change in Compensated Absences		<u>(4,168.20)</u>
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Change in Net Position of Governmental Activities	\$	<u><u>1,851,018.69</u></u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.



**Delaware Tribe of Indians**  
**Statement of Net Position – Proprietary Fund**  
**September 30, 2013**

	Delaware Housing Program	Delaware Enterprise Authority	Nonmajor Enterprise Funds	Total
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 249,249.65	\$ 21,954.73	\$ 30,322.26	\$ 301,526.64
Investments	1,753,082.99	150,432.93	-	1,903,515.92
Amerind Insurance	49,042.00	-	-	49,042.00
Receivables (net)	426,365.66	-	-	426,365.66
Inventory Held for Resale	101,914.28	-	-	101,914.28
Other current assets	14,493.50	-	-	14,493.50
<b>Total Current Assets</b>	<u>2,594,148.08</u>	<u>172,387.66</u>	<u>30,322.26</u>	<u>2,796,858.00</u>
Noncurrent Assets:				
Housing Stock, Mutual Help	1,659,582.90	-	-	1,659,582.90
Land	293,419.93	-	1,239,294.92	1,532,714.85
Depreciable capital assets, net	3,862,360.55	-	-	3,862,360.55
<b>Total Noncurrent Assets</b>	<u>5,815,363.38</u>	<u>-</u>	<u>1,239,294.92</u>	<u>7,054,658.30</u>
 <b>TOTAL ASSETS</b>	 <u>8,409,511.46</u>	 <u>172,387.66</u>	 <u>1,269,617.18</u>	 <u>9,851,516.30</u>
<b>LIABILITIES:</b>				
Accounts Payable	51,736.40	1,012.50	-	52,748.90
Due to Other Governments	146,977.64	-	3,060.28	150,037.92
Due to Other Entities	-	650,390.00	-	650,390.00
Accrued Payables	3,884.15	(82.85)	-	3,801.30
Homebuyer's Equity	505,955.34	-	-	505,955.34
Security Deposits	35,452.27	-	-	35,452.27
<b>TOTAL LIABILITIES</b>	<u>744,005.80</u>	<u>651,319.65</u>	<u>3,060.28</u>	<u>1,398,385.73</u>
 <b>NET POSITION</b>				
Net investment in capital assets	4,155,780.48	-	-	4,155,780.48
Restricted for Housing	1,761,497.18	-	1,263,837.99	3,025,335.17
Unrestricted	1,748,228.00	(478,931.99)	2,718.91	1,272,014.92
<b>TOTAL NET POSITION</b>	<u>\$ 7,665,505.66</u>	<u>\$ (478,931.99)</u>	<u>\$ 1,266,556.90</u>	<u>\$ 8,453,130.57</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Delaware Tribe of Indians**  
**Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds**  
**For the Year Ended September 30, 2013**

	Delaware Housing Program	Delaware Enterprise Authority	Nonmajor Enterprise Funds	Total
<b>OPERATING REVENUES</b>				
Rental Income	\$ 275,688.17	\$ -	\$ 16,340.91	\$ 292,029.08
Other income	23,278.43	9,974.32	58,437.00	91,689.75
Total operating revenues	<u>298,966.60</u>	<u>9,974.32</u>	<u>74,777.91</u>	<u>383,718.83</u>
<b>OPERATING EXPENSES</b>				
Cost of operations	1,071,483.48	277,115.60	62,927.38	1,411,526.46
Depreciation	173,829.41	-	-	173,829.41
Amortization	100,865.07	-	-	100,865.07
Total operating expenses	<u>1,346,177.96</u>	<u>277,115.60</u>	<u>62,927.38</u>	<u>1,686,220.94</u>
Operating income (loss)	<u>(1,047,211.36)</u>	<u>(267,141.28)</u>	<u>11,850.53</u>	<u>(1,302,502.11)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Propriety Fund Transfers	(1,051,045.54)	(203,660.83)	1,254,706.37	-
Grant revenue	700,519.00	-	-	700,519.00
Interest income	148,547.82	1,453.74	-	150,001.56
Total non-operating revenues	<u>(201,978.72)</u>	<u>(202,207.09)</u>	<u>1,254,706.37</u>	<u>850,520.56</u>
Increase (decrease) in net position	(1,249,190.08)	(469,348.37)	1,266,556.90	(451,981.55)
<b>NET POSITION</b>				
Net Position, Beginning of Year	8,914,695.74	(9,583.62)	-	8,905,112.12
Net Position, End of Year	<u>\$ 7,665,505.66</u>	<u>(478,931.99)</u>	<u>1,266,556.90</u>	<u>\$ 8,453,130.57</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Delaware Tribe of Indians**  
**Statement of Cash Flows – Proprietary Fund**  
**For the Year Ended September 30, 2013**

	Delaware Housing Program	Delaware Enterprise Authority	Nonmajor Enterprise Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Inflows:				
Payments received from participants	\$ 412,413.10	\$ -	\$ 16,340.91	\$ 428,754.01
Cash received from other sources	23,278.43	9,974.32	58,437.00	91,689.75
Total Cash Inflows	<u>435,691.53</u>	<u>9,974.32</u>	<u>74,777.91</u>	<u>520,443.76</u>
Cash Outflows:				
Payments for Salaries and Benefits	(311,828.03)	(161,956.35)	-	(473,784.38)
Cash paid to suppliers	(744,690.04)	(120,118.53)	(59,867.10)	(924,675.67)
Total Cash Outflows	<u>(1,056,518.07)</u>	<u>(282,074.88)</u>	<u>(59,867.10)</u>	<u>(1,398,460.05)</u>
Net cash provided (used) by operating activities	<u>(620,826.54)</u>	<u>(272,100.56)</u>	<u>14,910.81</u>	<u>(878,016.29)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfer to Tribe	(81,767.23)	-	-	(81,767.23)
Security Deposits	(13,820.99)	-	-	(13,820.99)
Proceeds of MEPA	27,688.53	-	-	27,688.53
Grant revenue (reimbursed)	303,400.50	-	-	303,400.50
	<u>235,500.81</u>	<u>-</u>	<u>-</u>	<u>235,500.81</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of Capital Assets	(612,449.36)	-	(1,239,294.92)	(1,851,744.28)
Proprietary Fund Transfer	(1,051,045.54)	(203,660.83)	1,254,706.37	-
Net cash provided (used) by capital and related financing activities	<u>(1,663,494.90)</u>	<u>(203,660.83)</u>	<u>15,411.45</u>	<u>(1,851,744.28)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Sale of investments	1,532,621.16	-	-	1,532,621.16
Purchase of investments	-	149,567.07	-	149,567.07
Investment income	148,547.82	1,453.74	-	150,001.56
Net cash provided (used) by investing activities	<u>1,681,168.98</u>	<u>151,020.81</u>	<u>-</u>	<u>1,832,189.79</u>
Net increase (decrease) in cash and cash equivalents	(367,651.65)	(324,740.58)	30,322.26	(662,069.97)
Cash and Cash Equivalents, Beginning of Year	616,901.30	346,695.31	-	963,596.61
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 249,249.65</u>	<u>\$ 21,954.73</u>	<u>\$ 30,322.26</u>	<u>301,526.64</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Delaware Tribe of Indians**  
**Reconciliation of Statement of Cash Flows – Proprietary Fund**  
**For the Year Ended September 30, 2013**

	Delaware Housing Program	Delaware Enterprise Authority	Nonmajor Enterprise Funds	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (1,047,211.36)	\$ (267,141.28)	\$ 11,850.53	\$ (1,302,502.11)
Adjustment to reconcile operating income to net cash provided (used) by operating activities				
Depreciation	173,829.41	-	-	173,829.41
Amortization	100,865.07	-	-	100,865.07
Change in assets and liabilities				
(Increase) Decrease In				
Accounts receivable	136,724.93	-	-	136,724.93
Increase (Decrease) In				
Accounts payable	14,965.41	(4,424.61)	3,060.28	13,601.08
Accrued expenses	-	(534.67)	-	(534.67)
<b>Net cash provided (used) by operating activities</b>	<b><u>\$ (620,826.54)</u></b>	<b><u>\$ (272,100.56)</u></b>	<b><u>\$ 14,910.81</u></b>	<b><u>\$ (878,016.29)</u></b>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**Delaware Tribe of Indians  
Notes to the Financial Statements  
For the Year Ended September 30, 2013**

**I. Summary of Significant Accounting Policies**

The following notes to the financial statements are an integral part of the Tribe's financial statements.

The Tribe's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide Statement of Net Assets and Statement of Activities, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Proprietary funds also apply the same principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this Note.

The Tribe a/k/a Lenni Lenape, is an Indian tribe organized and managed pursuant to the Delaware Constitution and Bylaws. The Tribal Council, which is made up of the Chief, Assistant Chief, Secretary, Treasurer, and three members is the governing body of the Tribe as authorized by Title I of the Constitution and Bylaws approved by the General Council in November 1982. The Tribal Council has the power to enact ordinances, to establish rules and regulations governing membership, to adopt procedures for enrollment, and to prepare and approve the official membership roll.

**A. Reporting Entity**

The Tribe's financial reporting entity is comprised of the following:

Primary Government:	Delaware Tribe of Indians
Blended Component Unit:	Lenape Native American Foundation Delaware Trust Authority

In determining the financial reporting entity, the Tribe complies with the provisions of Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" and includes all component units of which the Tribe appointed a voting majority of the units' board and the Tribe is either able to impose its will on the unit or a financial benefit or burden relationship exists.

*Blended Component Units*

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Tribal Council or the component unit provides services entirely to the Tribe. The component unit's fund is blended into those of the Tribe's by appropriate activity type to comprise the primary government presentation. Additional detailed information and/or separately issued financial statements for the component units can be obtained from the Tribal Council.

**Delaware Tribe of Indians**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2013**

**I. Summary of Significant Accounting Policies (continued)**

**A. Reporting Entity (continued)**

Component units that are blended into the reporting activity types of the Tribe's reports are presented below:

<b>Component Unit</b>	<b>Brief Description/Inclusion Criteria</b>	<b>Reporting</b>
Lenape Native American Foundation	Created as a tax exempt organization under Section 501(c)(3) and functions as a non-profit organization. The current Tribal Council serves as the governing body (Directors).	NonMajor Governmental Fund
Delaware Trust Authority	Created to administer and distribute the judgment funds held by the Office of Trust Fund Management of the Bureau of Indian Affairs. The current Tribal Council serves as the governing body.	Major Governmental Fund

*Discretely Presented Component Units*

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The Delaware Tribe of Indians has no Discretely Presented Component Units.

**Delaware Tribe of Indians**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2013**

**I. Summary of Significant Accounting Policies (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

The statement of net position and the statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**Delaware Tribe of Indians**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2013**

**I. Summary of Significant Accounting Policies (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (continued)**

Fund financial statements of the reporting entity are organized into funds each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Tribe or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditure/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues or expenditure/expenses of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

**Governmental Funds**

*General Fund*

The General Fund is the primary operating fund of the Tribe and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

*Special Revenue Funds*

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for certain purposes. These funds are grant funds from federal and state agencies which represent the activities of various noncapital and capital programs which are disbursed by the Tribe and over which the Tribe exercises fiscal and administrative control.

The following are the Tribe's special revenue funds reported in the governmental fund statements as major funds:

1. *Department of the Interior* accounts for resources received by the Tribe from the U.S. Department of the Interior through the Cherokee Nation.
2. *Indian Health Services* accounts for revenues received by the Tribe through the Cherokee Nation.



**Delaware Tribe of Indians  
Notes to the Financial Statements  
For the Year Ended September 30, 2013**

**I. Summary of Significant Accounting Policies (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation – Fund Accounting (continued)**

**Governmental Funds (continued)**

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and non-major funds aggregated. A schedule is presented on the face of each statement to reconcile the difference in fund balance as presented in the statements to the net assets presented for governmental activities in the government-wide financial statements.

**Proprietary Fund**

*Enterprise Fund*

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise fund:

Delaware Enterprise Corporation	Designed to operate as a Section 8(a) Small Business.
Housing Program of the Delaware Tribe	Designed to provide Low Income Indian Housing.

**Major and Non-Major Funds**

*Major:*

- General Fund
- State Fuel Tax
- Delaware Trust Authority
- Department of the Interior
- Space Cost Pool
- Indirect Cost Pool
- Delaware Housing Program
- Delaware Enterprise Authority

*Non-Major:*

- Special Revenue Fund: Housing Program
- Special Revenue Fund: Environmental Protection Agency
- Special Revenue Fund: National Park Service
- Special Revenue Fund: Lenape Native America Foundation
- Special Revenue Fund: Department of Health and Human Services
- Special Revenue Fund: National Science Foundation
- Special Revenue Fund: Institute of Museum and Library Services
- Special Revenue Fund: FEMA

**Delaware Tribe of Indians**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2013**

**I. Summary of Significant Accounting Policies (continued)**

**C. Assets, Liabilities and Equity**

**Cash and cash equivalents**

For the purpose of the Statement of Net Position, “cash, including time deposits” includes all demand, savings accounts, and certificates of deposit of the Tribe. For the purposes of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” includes all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

**Investments**

Investments consist of corporate debt and equity securities, government obligations, and exchange traded mutual funds. Investments are recorded at their fair value.

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include grants receivable. Business-type activities have no receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and other intergovernmental revenues since they are usually both measurable and available. The Tribe has no sales or franchise taxes. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis of accounting. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received.

**Capital Assets**

The accounting treatment over property, plant and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. The Tribe’s capitalization threshold is \$5,000.

**Delaware Tribe of Indians  
Notes to the Financial Statements  
For the Year Ended September 30, 2013**

**I. Summary of Significant Accounting Policies (continued)**

**C. Assets, Liabilities and Equity**

**Capital Assets (continued)**

*Government-Wide Statements*

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 years
Land improvements	15-60 years
Equipment	3-20 years

*Fund Financial Statements*

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

**Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Delaware Tribe of Indians**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2013**

**I. Summary of Significant Accounting Policies (continued)**

**C. Assets, Liabilities and Equity (continued)**

**Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as a part of noncurrent liabilities in the government-wide financial statement of net assets. Vested or accumulated vacation leave for proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Governmental Accounts Standards Board Statement No. 16, *Accounting for Compensated Absences*, no liability for nonvesting accumulating rights to receive sick pay benefits.

**Equity Classifications**

*Net Position/Fund Balance*

In the government-wide financial statement, net position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws or other governments, or are imposed by law through constitutional provisions or enabling legislation.

In the fund financial statements, governmental funds report the hierarchy of fund balances. The hierarchy is based primarily on the degree of spending constraints placed on the use of resources for specific purposes versus availability of appropriation. An important distinction that is made in reporting fund balance is between amounts that are considered *nonspendable* (i.e., fund balance associated with assets that are not in spendable form, such as inventories or prepaid items, long-term portions of loans and notes receivable, or items that are legally required to be maintained intact (such as the corpus of a permanent fund)) and those that are *spendable* (such as fund balance associated with cash, investments or receivables).

Amounts in the *spendable* fund balance category are further classified as *restricted*, *committed*, *assigned* or *unassigned*, as appropriate.

**Delaware Tribe of Indians**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2013**

**I. Summary of Significant Accounting Policies (continued)**

**C. Assets, Liabilities and Equity (continued)**

**Equity Classifications (continued)**

*Net Position/Fund Balance (continued)*

**Restricted** fund balance represents amounts that are constrained either externally by creditors (such as debt covenants), grantors, contributors, or laws and regulations of other governments; or by law through constitutional provision or enabling legislation.

**Committed** fund balance represents amounts that are usable only for specific purposes by formal action of the government's highest level of decision making authority. Such amounts are not subject to legal enforceability (like restricted amounts), but cannot be used for any other purpose unless the government removes or changes by taking action similar to that which imposed the commitment. The Tribe's Board of Trustees is the highest level of decision making authority of the Tribe.

**Assigned** fund balance represents amounts that are *intended* to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the governing body itself, or a subordinated high-level body or official who the governing body has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balances includes all remaining spendable amounts (except negative balances) that are reported in governmental funds *other than the general fund*, that are neither restricted nor committed, and amounts in the general fund that are intended to be used for specific purpose in accordance with the provisions of the standard.

**Unassigned** fund balance is the residual classification for the general fund. It represents the amounts that have not been assigned to other funds, and that have not been restricted, committed, or assigned to specific purposes within the general fund.

*Resource Use Policy*

It is in the Tribe's policy for all funds that when an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources, including fund balances, are available, the Tribe considers the restricted amounts to be spent first before any unrestricted amounts are used. Furthermore, it is the Tribe's policy that when an expenditure/expense is incurred for purposes for which committed, assigned or unassigned resources, including fund balances, are available, the Tribe considers committed, amounts to be spent first, followed by assigned amounts, and lastly, unassigned amounts.

**Delaware Tribe of Indians  
Notes to the Financial Statements  
For the Year Ended September 30, 2013**

**I. Summary of Significant Accounting Policies (continued)**

**D. Revenues, Expenditures and Expenses**

**Sales Tax**

The Tribe has no Sales Tax at September 30, 2013 as the gift shop sales were all to tribal members and this exempt.

**Operating Revenues and Expenses**

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing or investing activities.

**Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character: Current (further classified by function), Debt Service, Capital Outlay

Proprietary Funds – By Operating and Non-Operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

**Interfund Transfers**

Permanent re-allocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

**Delaware Tribe of Indians**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2013**

**I. Summary of Significant Accounting Policies (continued)**

**E. Recent Accounting Pronouncements**

In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34* (GASB 61). GASB 61 modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that were previously required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, GASB 61 clarifies the matter in which that determination should be made and the types of relationships that generally should be considered in making the determination.

GASB 61 amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. For component units that currently are blended based on the "substantially the same governing body" criterion, it additionally requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit.

The Tribe adopted GASB 61 on October 1, 2012, which did not have a significant impact on the Tribe's financial statements.

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB 63). The objective of GASB 63 is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The pronouncement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The provisions of this statement were effective for financial statements for periods beginning after December 15, 2011. The Tribe adopted GASB 63 effective October 1, 2012. The adoption of the statement required the Tribe to adopt the term "net position" as required. In addition, as required by GASB 63, the Tribe determined as of September 30, 2013, there were no items of deferred inflows or outflows of resources, as presently defined, to be reported.

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65). The objective of GASB 65 is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets or liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this statement were effective for financial statements for periods beginning after December 15, 2012.

**Delaware Tribe of Indians  
Notes to the Financial Statements  
For the Year Ended September 30, 2013**

**II. Stewardship, Compliance and Accountability**

By its nature as a local government unit, the Tribe and its component unit are subject to various federal, state, and local laws and contractual regulations. An analysis of the Tribe's compliance with significant laws and regulations and demonstration of its stewardship over Tribe resources follows.

**A. Revenue Restrictions**

The Tribe has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Motor Fuel Tax	Motor Fuel Contract with State of Oklahoma
River Trails, LLC	Development Financing

For the year ended September 30, 2013, the Tribe complied, in all material respects, with these revenue restrictions.

**B. Budgetary Data**

The Tribe is not required to adopt a budget and operate under this legal constraint, as is the general situation in most government entities. Therefore, this presentation has been omitted.



**Delaware Tribe of Indians**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2013**

**III. Detailed Notes on Transaction Classes/Accounts**

**A. Cash and Investments**

A summary of cash and investments shown in the fund financial statements is as follows:

Cash and cash equivalents	\$	878,329
Investments		6,371,570
 Total cash and Investments	 \$	 7,249,899

*Custodial Credit Risk – Deposit:* Custodial credit risk is the risk that in the event of a bank failure, the Tribe’s deposits may not be returned to it. The Tribe’s cash deposits, including interest-bearing certificates of deposit, are maintained in financial institutions. The Tribe’s policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral valued at no more than market value plus accrued interest. As of September 30, 2013, the Tribe was fully collateralized. The Trust Authority had no custodial credit risk.

*Investment Credit Risk:* Risks that an issuer or other counterparty to an investment will not fulfill its obligations are referred to as investment credit risk. The Tribe has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by national rating agencies at year end.

*Interest rate risk:* This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of the investment, the greater the sensitivity of its fair value to changes in market interest rates. The Tribe’s investment policy does not limit investment based on maturity dates, but takes into account anticipated liquidity needs and economic conditions as a means of managing exposure to fair value losses arising from increasing interest rates.

*Concentration of Investment Credit Risk:* Investments in debt obligations from the Federal National Mortgage Association, Federal Home Loan Mortgage Corp., and Government National Mortgage Association represented 10%, 13%, and 03%, respectively, of total investments at September 30, 2013. Investments issued or explicitly guaranteed by the U.S government and investments in mutual funds are not included when calculating concentrations for credit risk exposure.

**Delaware Tribe of Indians**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2013**

**III. Detailed Notes on Transaction Classes/Accounts (continued)**

**B. Capital Assets**

Capital asset activity for the year was as follows:

	Balance September 30, 2012	Additions	Disposals	Balance September 30, 2013
<b>Governmental Activities:</b>				
Non-depreciable assets				
Land	\$ 233,480.00	\$ 50,000.00	\$ -	\$ 283,480.00
Construction in progress	-	-	-	-
Total nondepreciable assets	<u>233,480.00</u>	<u>50,000.00</u>	<u>-</u>	<u>283,480.00</u>
Depreciable assets:				
Buildings/Improvements	6,030,107.00	1,803,302.80	-	7,833,409.80
Furniture and Equipment	168,648.00	-	-	168,648.00
Vehicles	85,395.00	-	-	85,395.00
Total Depreciable assets	<u>6,284,150.00</u>	<u>1,803,302.80</u>	<u>-</u>	<u>8,087,452.80</u>
Accumulated Depreciation	<u>(1,506,803.56)</u>	<u>(220,126.00)</u>	<u>-</u>	<u>(1,726,929.56)</u>
Net Depreciable Assets	<u>4,777,346.44</u>	<u>1,583,176.80</u>	<u>-</u>	<u>6,360,523.24</u>
Net Capital Assets	<u>\$ 5,010,826.44</u>	<u>\$ 1,633,176.80</u>	<u>\$ -</u>	<u>\$ 6,644,003.24</u>
	Balance September 30, 2011	Additions	Disposals	Balance September 30, 2012
<b>Business-Type Activities:</b>				
Non-depreciable assets				
Land	\$ 293,419.93	\$ 1,239,294.92	\$ -	\$ 1,532,714.85
Housing Inventory held for Sale	1,707,112.32	101,914.28	(47,529.42)	1,761,497.18
Total nondepreciable assets	<u>2,000,532.25</u>	<u>1,341,209.20</u>	<u>(47,529.42)</u>	<u>3,294,212.03</u>
Depreciable assets:				
Buildings/Improvements	5,518,451.00	465,026.00	-	5,983,477.00
Site Improvements	180,184.85	-	-	180,184.85
Vehicles	121,124.06	-	-	121,124.06
Furniture/Fixtures/Equipment	72,852.23	-	-	72,852.23
Total Depreciable assets	<u>5,892,611.68</u>	<u>465,026.00</u>	<u>-</u>	<u>6,357,638.14</u>
Accumulated Depreciation	<u>(2,321,188.00)</u>	<u>(174,089.59)</u>	<u>-</u>	<u>(2,495,277.59)</u>
Net Depreciable Assets	<u>3,571,423.68</u>	<u>290,936.41</u>	<u>-</u>	<u>3,862,360.55</u>
Net Capital Assets	<u>\$ 5,571,955.93</u>	<u>\$ 1,632,145.61</u>	<u>\$ (47,529.42)</u>	<u>\$ 7,156,572.58</u>

**Delaware Tribe of Indians  
Notes to the Financial Statements  
For the Year Ended September 30, 2013**

**III. Detailed Notes on Transaction Classes/Accounts (continued)**

**B. Capital Assets (continued)**

Depreciation expense was charged to governmental activities as follows:

Governmental Activities		
General Government	\$	148,070.41
Child Development		11,354.76
Social Services		20,477.16
Education		13,680.78
Cultural		12,977.79
Economic Development		13,565.08
Total Depreciation Expense	\$	<u>220,126.00</u>

**IV. Other Information**

**A. Gaming Facility Development**

On April 22, 2010 the Tribe and the Delaware Enterprise Authority (DEA) entered into a development loan agreement with River Trails, LLC. With the assistance of the Developer, the Tribe intends to acquire land located in Ohio within the traditional aboriginal and/or Tribal lands and take the subject land into Trust as "restored land". The Tribe and DEA intend to finance, design, develop, construct, furnish, equip, and operate a gaming facility on the restored land. The developer shall make monthly nonreimbursible exclusivity payments of \$25,000 to the DEA for twelve months and monthly advances of \$25,000 which are to be reimbursed to the developer when permanent financing is obtained. As of September 30, 2013, River Trails, LLC has advanced \$325,000 for development and has made payments of \$325,000 for exclusivity. The advances are accrued as a liability in the DEA's fund and the exclusivity payments are shown as other revenue.

**B. Commitments and Contingencies**

The Tribe participates in a number of federally assisted grant programs. The federal programs are subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed, the amount of which cannot be determined at this time.

In January 1996, the Trust Authority was presented with the Agreed-Upon Procedures and Findings Report of Independent Public Accountants, which included summary and detail reports of the tribal judgment account, administered since inception by the Bureau of Indian Affairs. The report, prepared by Arthur Andersen LLP under the direction of the Bureau, was issued as part of the reconciliation project undertaken pursuant to a mandate of Congress in 1990. The reconciliation project covered the period July 1, 1972 through September 30, 1992. The report covered accounts held in trust for the Delaware Tribe, called the Delaware-Cherokee Tribe on account documents. The net proposed adjustments for all accounts totaled \$12,030. Neither the Authority nor the Tribe accepted the proposed adjustments as final and undertook additional analysis using the reports provided by the project contractor. As a result of the ongoing analysis, the Authority requested that the

**Delaware Tribe of Indians**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2013**

**IV. Other Information (continued)**

**B. Commitments and Contingencies (continued)**

Office of Trust Funds Management (OTFM): (1) provide documentation to support the paying of \$131,201 in attorney fees from the tribal program fund; (2) transfer approximately \$500,000 of unclaimed per capita and interest amounts to the tribal program trust fund accounts; and (3) provide the reposts necessary to evaluate the appropriateness of over \$670,000 held in trust for the Idaho/Kansas Delaware's in which the Delaware-Cherokee Tribe may have an interest. OTFM was not responsive to these requests. Accordingly, the Authority and the Tribe instituted litigation, first in the United States District Court for the District of New Mexico in 1998 and then in the United States Court of Federal Claims in 2002 to obtain the records necessary to arrive at a proper distribution of the various trust funds and (in the Court of Federal Claims) for monetary damages for any mismanagement of those funds by the United States as trustee. Proposed legislation currently under consideration by the Oklahoma congressional delegation would mandate the proper distribution of those funds.

**C. Subsequent Events**

Management has evaluated subsequent events through June 28, 2014, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

**D. Correction of an Error**

During the current year the beginning balance of the Enterprise Wide net position of \$8,709,128.89 was understated due the Inventory Held for Resale balance was incorrectly calculated by \$7,568.31 increasing the beginning balance of net position to \$8,914,697.20.

**OTHER SUPPLEMENTARY INFORMATION**

**Delaware Tribe of Indians**  
**Combining Balance Sheet – Special Revenue Funds**  
**For the Year Ended September 30, 2013**

	Bureau of Indian Affairs	Environmental Protection Agency	National Park Service	Lenape Native Foundation	Department of Health and Human Services
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ (38,226.92)	\$ (11,177.13)	\$ 90,561.05	\$ 39,019.02	\$ (19,862.86)
Due from Other Governments	2,456.58	57,568.87	31,405.09	-	54,695.68
Accounts Receivable	-	-	3,853.99	-	-
Due from Other Funds	158,658.67	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 122,888.33</u></b>	<b><u>\$ 46,391.74</u></b>	<b><u>\$ 125,820.13</u></b>	<b><u>\$ 39,019.02</u></b>	<b><u>\$ 34,832.82</u></b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 946.46	\$ 31,306.45	\$ 3,743.54	\$ -	\$ 31,041.18
Accrued Liabilities	12,564.55	843.69	370.15	-	3,791.64
Dut to Other Funds	-	14,241.60	-	-	-
Deferred Grant Revenue	101,143.90	-	-	-	-
<b>Total Liabilities</b>	<b><u>114,654.91</u></b>	<b><u>46,391.74</u></b>	<b><u>4,113.69</u></b>	<b><u>-</u></b>	<b><u>34,832.82</u></b>
<b>Fund Equity:</b>					
Cash Fund Equity, Unassigned	8,233.42	-	121,706.44	39,019.02	-
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 122,888.33</u></b>	<b><u>\$ 46,391.74</u></b>	<b><u>\$ 125,820.13</u></b>	<b><u>\$ 39,019.02</u></b>	<b><u>\$ 34,832.82</u></b>

**Delaware Tribe of Indians**  
**Combining Balance Sheet – Special Revenue Funds (continued)**  
**For the Year Ended September 30, 2013**

	Kansas Humanities Council	Institute of Museum and Library Services	FEMA	Gift Shop	Total NonMajor Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,098.00	\$ (6,603.83)	\$ 6,699.33	\$ 2,340.70	\$ 63,847.36
Due from Other Governments	-	7,000.05	-	-	153,126.27
Accounts Receivable	-	-	-	-	3,853.90
Due from Other Funds	-	-	-	-	158,658.67
<b>TOTAL ASSETS</b>	<b>\$ 1,098.00</b>	<b>\$ 396.22</b>	<b>\$ 6,699.33</b>	<b>\$ 2,340.70</b>	<b>\$ 379,486.20</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 59.95	\$ 67,097.58
Accrued Liabilities	-	276.22	-	-	17,846.25
Due to Other Funds	-	-	-	-	14,241.60
Deferred Grant Revenue	-	-	999.33	-	102,143.23
<b>Total Liabilities</b>	<b>-</b>	<b>276.22</b>	<b>999.33</b>	<b>59.95</b>	<b>201,328.66</b>
<b>Fund Equity:</b>					
Cash Fund Balance, Unassigned	1,098.00	120.00	5,700.00	2,280.75	178,157.54
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 1,098.00</b>	<b>\$ 396.22</b>	<b>\$ 6,699.33</b>	<b>\$ 2,340.70</b>	<b>\$ 379,486.20</b>

**Delaware Tribe of Indians**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Equity**  
**NonMajor Special Revenue Funds**  
**For the Year Ended September 30, 2013**

	Bureau of Indian Affairs	Environmental Protection Agency	National Park Service	Lenape Native Foundation	Department of Health and Human Services
<b>Revenues:</b>					
Federal grants and contracts	\$ 19,458.29	\$ 138,022.89	\$ 80,238.65	\$ -	\$ 358,669.47
Non grant revenue	-	151.62	114,670.52	2,238.61	1,325.21
Total Revenues	<u>19,458.29</u>	<u>138,174.51</u>	<u>194,909.17</u>	<u>2,238.61</u>	<u>359,994.68</u>
<b>Expenditures:</b>					
General Government	7,778.29	138,174.51	-	-	309,111.31
Social Services	-	-	-	-	50,883.37
Education	-	-	-	-	-
Cultural	-	-	127,586.14	1,184.10	-
Total Expenditures	<u>7,778.29</u>	<u>138,174.51</u>	<u>127,586.14</u>	<u>1,184.10</u>	<u>359,994.68</u>
Net Change in Fund Equity	11,680.00	-	67,323.03	1,054.51	-
Fund Equity, Beginning of Year	(3,446.58)	-	54,383.41	37,964.51	-
Fund Equity, End of Year	<u>\$ 8,233.42</u>	<u>\$ -</u>	<u>\$ 121,706.44</u>	<u>\$ 39,019.02</u>	<u>\$ -</u>



**Delaware Tribe of Indians**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Equity (continued)**  
**NonMajor Special Revenue Funds**  
**For the Year Ended September 30, 2013**

	Kansas Humanities Council	Institute of Museum and Library Science	FEMA	Gift Shop	Total NonMajor Governmental Funds
<b>Revenues:</b>					
Federal grants and contracts	\$ 10,000.00	\$ 2,408.66	\$ -	\$ -	\$ 608,797.96
Miscellaneous	0.84	120.00	5,700.00	7,310.50	131,517.30
Total Revenues	<u>10,000.84</u>	<u>2,528.66</u>	<u>5,700.00</u>	<u>7,310.50</u>	<u>740,315.26</u>
<b>Expenditures:</b>					
General Government	8,902.84	-	-	5,029.75	468,996.70
Social Services	-	-	-	-	50,883.37
Education	-	2,408.66	-	-	2,408.66
Cultural	-	-	-	-	128,770.24
Total Expenditures	<u>8,902.84</u>	<u>2,408.66</u>	<u>-</u>	<u>5,029.75</u>	<u>651,058.97</u>
Net Change in Fund Equity	1,098.00	120.00	5,700.00	2,280.75	89,256.29
Fund Equity, Beginning of Year	-	-	-	-	88,901.34
Fund Equity, End of Year	<u>\$ 1,098.00</u>	<u>\$ 120.00</u>	<u>\$ 5,700.00</u>	<u>\$ 2,280.75</u>	<u>\$ 178,157.63</u>

**Delaware Tribe of Indians**  
**Combining Statement of Net Position – NonMajor Enterprise Funds**  
**For the Year Ended September 30, 2013**

	LTI Enterprises	173-Delaware Facilities Management	174-Delaware Enterprise Authority	175-Delaware Financial Services	Total Nonmajor Enterprise Funds
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 20,986.36	\$ -	\$ -	\$ 9,335.90	\$ 30,322.26
Non Current Assets:					
Depreciable Capital Assets, Net	<u>1,239,294.92</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,239,294.92</u>
<b>TOTAL ASSETS</b>	1,260,281.28	-	-	9,335.90	1,269,617.18
<b>LIABILITIES</b>					
Due to other Funds	<u>2,856.00</u>	<u>-</u>	<u>-</u>	<u>204.28</u>	<u>3,060.28</u>
<b>NET POSITION</b>					
Restricted	1,254,706.37	-	-	9,131.62	1,263,837.99
Unrestricted	<u>2,718.91</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,718.91</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,257,425.28</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,131.62</u>	<u>\$ 1,266,556.90</u>

**Delaware Tribe of Indians**  
**Combining Statement of Revenues, Expenditures, and Changes in Net Position**  
**NonMajor Enterprise Funds**  
**For the Year Ended September 30, 2013**

	LTI Enterprises	173-Delaware Facilities Management	174-Delaware Enterprise Authority	175-Delaware Financial Services	Total Nonmajor Enterprise Funds
Operating Revenues:					
Rental Income	\$ 5,840.91	\$ -	\$ -	\$ 10,500.00	\$ 16,340.91
Other Income	-	48,502.68	9,934.32	-	58,437.00
Total Revenues	<u>5,840.91</u>	<u>48,502.68</u>	<u>9,934.32</u>	<u>10,500.00</u>	<u>74,777.91</u>
Operating Expenses:					
Cost of Operations	<u>3,122.00</u>	<u>48,502.68</u>	<u>9,934.32</u>	<u>1,368.38</u>	<u>62,927.38</u>
Net Operating Income (Loss):	2,718.91	-	-	9,131.62	11,850.53
Non-Operating Revenues (Expenses):					
Proprietary Fund Transfers	<u>1,254,706.37</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,254,706.37</u>
Increase (decrease) in net position	1,257,425.28	-	-	9,131.62	1,266,556.90
Net Position, Beginning of Year	-	-	-	-	-
Net Position, End of Year	<u>\$ 1,257,425.28</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,131.62</u>	<u>\$ 1,266,556.90</u>

**Delaware Tribe of Indians**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2013**

Federal Grantor/Pass-Through Grantor	Federal CFDA Number	Grant ID Number	Federal Expenditures
<u>U.S. Department of the Interior</u>			
<b>Bureau of Indian Affairs</b>			
<i>Passed through the Cherokee Nation</i>			
Tribal Self-Governance	15.022		\$ 382,650.00
Tribal Self-Governance Program: IHS Compacts/Funding Agreem	93.210		25,971.00
Natural Resources Damage Assessment		G-08825/2012/94130/252I	10,057.00
<u>U.S. Department of Housing and Urban Development</u>			
<b>Native American Housing Assistance and Self Determination Act</b>			
<i>Passed through the Cherokee Nation</i>			
Indian Housing Block Grants	14.867	13IT4007960	700,519.00
<b>National Park Service</b>			
Native American Graves and Repatriation Act	15.922	40-10-GP-524	68,785.28
Historic Preservation Grant	15.904	40-11-NA-4053	11,453.37
<u>Environmental Protection Agency</u>			
Indian Environmental General Assistance Program (GAP)	66.926	GA-00F09501-0	138,174.51
<u>U.S. Department of Health and Human Services</u>			
<b>Administration for Children and Families</b>			
Low Income Home Energy Assistance Program	93.568	G-11RDOKLIEA	19,872.13
Residential Energy Assistance Challenge Program	93.568	G-12RDOKLIE5	20,743.51
Title IV B, Part 1	93.645	G-12RDOKCWSS	5,843.13
Title IV B, Part 2	93.556	G-12RDOKFPSS	15,222.00
Child Support Enforcement	93.563	G-13RDOK4005	156,696.56
<b>Older American Act</b>			
Title VI, Part A-Grants for Native Americans	93.047	1135OKT6NS	136,920.35
Title VI, Section 311 - Nutrition Services Incentive Program	93.053	1135OKNSIP	4,517.00
<b>Indian Health Service</b>			
Special Diabetes Program for Indians_Diabetes Prevention and Treatment Projects	93.237		9,402.00
<u>Institute of Museum and Library Services</u>			
Native American Library Services	45.311	NG-05-10-0104-10	2,408.66
<b>Office of Public and Indian Housing</b>			
<i>Passed through to Washington County Child Care</i>			
Indian Community Development Block Grant Program	14.862	B-10-SR-40-0795	445,307.00
Indian Community Development Block Grant Program, Education	14.862	B-11-SR-40-0796	279,697.00
<b>Total Federal Awards Expended</b>			<b>\$ 2,434,239.50</b>

See accompanying notes to the schedule of expenditures of federal awards

**Delaware Tribe of Indians**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2013**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Delaware Tribe of Indians under programs of the federal government for the year ended September 30, 2013. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Delaware Tribe of Indians, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Delaware Tribe of Indians.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying number are presented where available.

**NOTE C – SUB RECIPIENTS**

Of the federal expenditures presented in the Schedule, the Delaware Tribe of Indians provided federal awards to sub recipients as follows:

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Federal CFDA Number</u>	<u>Grant ID Number</u>	<u>Federal Expenditures</u>
<u>Department of Housing and Urban Development</u>			
Indian Community Development Block Grant Program	14.862	B-10-SR-40-0795	445,307.00
Indian Community Development Block Grant Program,	14.862	B-11-SR-40-0796	<u>279,697.00</u>
Total expended by Sub Recipient			<u>\$ 725,004.00</u>

**Delaware Tribe of Indians  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2013**

<u>Section 1</u>	<u>Summary of Auditor's Resu</u>
<u>Financial Statements</u>	
1. Type of Auditor's report issued	Unqualified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Reportable conditions identified not considered to be material weaknesses?	No
3. Noncompliance material to the financial statements noted?	No
<u>Federal Awards</u>	
1. Internal control over major program:	
a. Material weaknesses identified?	No
b. Reportable conditions identified not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major program:	Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, section 510(a)?	No
4. Identification of major programs:	
<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.867	Indian Housing Block Grants
93.563	Child Support Enforcement
15.022	Tribal Self Governance
5. Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	No

**Delaware Tribe of Indians  
Summary Schedule of Prior Year Findings  
For the Year Ended September 30, 2013**

No prior year Findings.