July 28, 2016

TO: Geoffrey Standing Bear, Principal Chief
    Archie Mason, Speaker

FROM: Samuel S. Alexander, Treasurer


Attached are the quarterly unaudited interim financial statements as of June 30, 2016. In accordance with 15 ONC §2-313, these summary interim financial statements will be provided to the Osage News for publications.

Regards,

[Signature]

Samuel S. Alexander
Treasurer

cc: Shannon Shaw-Duty, Editor Osage News
    Chad Cobb, Controller
OSAGE NATION  
Combining Balance Sheets  
June 30, 2016

<table>
<thead>
<tr>
<th>Assets</th>
<th>General Fund</th>
<th>Special Revenue</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>25,846,304</td>
<td>16,576,503</td>
<td>42,422,807</td>
</tr>
<tr>
<td>Investments</td>
<td>32,099,297</td>
<td>-</td>
<td>32,099,297</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>108,036</td>
<td>-</td>
<td>108,036</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>15,363</td>
<td>585,744</td>
<td>601,107</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>15,773</td>
<td>225,804</td>
<td>241,577</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>242,993</td>
<td>32,365</td>
<td>275,358</td>
</tr>
<tr>
<td>Due from other governments</td>
<td>-</td>
<td>19,726,775</td>
<td>19,726,775</td>
</tr>
<tr>
<td>Due from related parties</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$58,327,766</td>
<td>$37,147,191</td>
<td>$95,474,957</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and fund balances</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>96,013</td>
<td>435</td>
<td>96,448</td>
</tr>
<tr>
<td>Accrued payroll liabilities</td>
<td>88,559</td>
<td>-</td>
<td>88,559</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>140,817</td>
<td>351,015</td>
<td>491,832</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>476,540</td>
<td>35,483,793</td>
<td>35,960,333</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$801,929</td>
<td>$35,835,243</td>
<td>$36,637,172</td>
</tr>
</tbody>
</table>

| Total fund balances           | $57,525,837  | $1,311,948      | $58,837,785|

| Total liabilities and fund balances| $58,327,766  | $37,147,191     | $95,474,957|
OSAGE NATION  
Combining Statements of Revenue, Expenditures and Changes in Fund Balance  
Nine Months Ended June 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Special Revenue</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>4,317,803</td>
<td>16,375,576</td>
<td>20,693,381</td>
</tr>
<tr>
<td>Indirect cost recoveries</td>
<td>1,434,225</td>
<td>51,438</td>
<td>1,485,663</td>
</tr>
<tr>
<td>Investment revenue</td>
<td>1,645,405</td>
<td>-</td>
<td>1,645,405</td>
</tr>
<tr>
<td>Tobacco tax revenue</td>
<td>2,413,382</td>
<td>1,680,633</td>
<td>4,093,995</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$ 9,810,795</td>
<td>$ 18,107,649</td>
<td>$27,918,444</td>
</tr>
</tbody>
</table>

| **Expenditures**        |              |                |            |
| Wages & Fringe Benefits | 12,481,335   | 7,409,617      | 19,890,952 |
| Travel & Training       | 370,382      | 318,415        | 688,797    |
| Contractual             | 2,315,115    | 937,547        | 3,252,662  |
| Direct Services         | 10,546,346   | 3,083,405      | 13,629,751 |
| Donations               | 235,100      | -              | 235,100    |
| Equipment               | 810,900      | 365,686        | 1,176,586  |
| Capital Outlay          | 12,110,640   | 561,422        | 12,672,062 |
| Repairs Maint/Occupancy | 593,548      | 401,534        | 995,082    |
| Roads Construction      | -            | 2,404,700      | 2,404,700  |
| Other expenses          | 3,189,416    | 1,607,196      | 4,796,612  |
| Indirect Cost           | 2,052,509    | 1,632,428      | 3,684,937  |
| **Debt Service**        |              |                |            |
| Principal               | 750,000      | -              | 750,000    |
| Interest                | 73,577       | -              | 73,577     |
| **Total Expenditures**  | $ 45,528,868 | $ 18,721,950   | $64,250,816|

| **Revenues over (under) expenditures** | (35,718,073) | (614,301) | (36,332,374) |

| **Other financing sources (uses)**   |              |                |            |
| Transfers in/(out)                  | (3,794,061)  | 484,968        | (3,309,093) |
| Capital contributions to component units | (2,500,000) | -              | (2,500,000) |
| Gaming distributions                | 50,000,000   | -              | 50,000,000  |
| **Total other financing sources (uses)** | $ 43,705,939 | $ 484,968 | $44,190,907 |

| **Net change in fund balances**     | $ 7,987,866  | $(129,333)     | $ 7,858,533 |

| **Fund balances, beginning of year** | 49,537,971   | 1,441,281      | 50,979,252  |
| **Fund balances, end of year**      | $ 57,525,837 | $ 1,311,948    | $58,837,785 |
OSAGE NATION  
Statement of Net Position  
June 30, 2016

<table>
<thead>
<tr>
<th>Proprietary</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
</tr>
<tr>
<td>Accounts receivable</td>
</tr>
<tr>
<td>Prepaid expenses</td>
</tr>
<tr>
<td>Inventory</td>
</tr>
<tr>
<td>Due from other governments</td>
</tr>
<tr>
<td>Capital Assets, Net</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
</tr>
</tbody>
</table>

| **Liabilities**                 |
| Accounts payable                | 76,845    |
| Accrued payroll liabilities     | -         |
| Due to other funds              | 5,560     |
| Other accrued liabilities       | 16,000    |
| Deferred revenue                | -         |
| **Total liabilities**           | **$98,405** |

| **Net Position**                |
|                                 | **$13,899,408** |
OSAGE NATION  
Statement of Activities  
Nine Months Ended June 30, 2016

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Proprietary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intergovernmental</td>
<td>34,299</td>
</tr>
<tr>
<td>Tax revenue</td>
<td>1,139,839</td>
</tr>
<tr>
<td>Investment revenue</td>
<td>38,137</td>
</tr>
<tr>
<td>Program/Other revenue</td>
<td>1,508,602</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>$ 2,718,877</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages &amp; Fringe Benefits</td>
<td>1,769,099</td>
</tr>
<tr>
<td>Travel &amp; Training</td>
<td>37,427</td>
</tr>
<tr>
<td>Contractual</td>
<td>41,237</td>
</tr>
<tr>
<td>Direct Services</td>
<td>46,150</td>
</tr>
<tr>
<td>Repairs/Maint/Occupancy</td>
<td>508,139</td>
</tr>
<tr>
<td>Equipment/Capital Outlay</td>
<td>43,707</td>
</tr>
<tr>
<td>Other Expenses/Cost of goods sold</td>
<td>557,420</td>
</tr>
<tr>
<td>Health Claims Expense</td>
<td>-</td>
</tr>
<tr>
<td>Indirect Cost</td>
<td>423,650</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$ 3,426,829</strong></td>
</tr>
</tbody>
</table>

Revenues over (under) expenditures: $ (707,952)

Other financing sources (uses):  
Transfers in/(out): 3,306,969  
Distributions to LLC: -  
Gaming distributions: -  
Total other financing sources (uses): $ 3,306,969

Net change in net position: $ 2,599,017

Net Position, Beginning of year: 11,300,391
Net Position, End of year: $13,899,408