

Eastern Oklahoma Development District

Financial Statements
with Independent Auditor's Report

June 30, 2022 and 2021



**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Eastern Oklahoma Development District

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Eastern Oklahoma Development District

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Independent Auditor's Report

Board of Directors
Eastern Oklahoma Development District
Muskogee, Oklahoma

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and the business-type activities, the aggregate discretely present component units, each major fund and the aggregate remaining fund information of Eastern Oklahoma Development District (EODD), Oklahoma, as of and for the year ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprises of EODD's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of EODD, as of June 30, 2022 and 2021, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EODD and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

EODD's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about EODD's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 EODD's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about EODD's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise EODD's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards 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.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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 as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the combining statements as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023 on our consideration of EODD's internal control over financial reporting and 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 result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eastern Oklahoma Development District's internal control over financial reporting and compliance.

Hick & Company, PC

Tulsa, Oklahoma
February 27, 2023



Eastern Oklahoma Development District
Managements Discussion and Analysis
June 30, 2022 and 2021

This section of Eastern Oklahoma Development District's (the District's) financial statements presents management's discussion and analysis of the District's financial performance during the years ended June 30, 2022 and 2021. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and current known facts, it should be read in conjunction with the District's basic financial statements and footnotes. The overview of the financial statements and financial analysis is presented for fiscal year 2022, with fiscal years 2021 and 2020.

Financial Analysis of the District as a Whole

The basic financial statements of the District are the Government Wide Statement of Net Position and Statement of Activities. The Statement of Financial Net Position presents the financial position of the District at June 30, 2022 and 2021. The Statement of Activities summarizes the District's financial results by activity for the years ended June 30, 2022 and 2021. The Fund financial statements show the balance sheets and the changes in fund balance for the individual major funds of the District and the total of the non-major funds.

The District's building trust is reported as the business-type activities and is included in a separate column within the Government Wide Financial Statements.

The following schedules are prepared from the District's basic financial statements. With the exception of the Statement of Cash Flows, the statements are presented on an accrual basis of accounting whereby revenues are recognized when earned and expenses are recorded when incurred and assets are capitalized and depreciated.

Statement of Net Assets

This statement is presented with three major categories, namely assets, liabilities, and net assets. The assets include cash and cash equivalents, short-term investments, accounts receivable, and investment in capital assets. Capital assets include land, buildings and improvements, equipment, and furniture. Capital assets are shown net of depreciation.

Liabilities include accounts payable, accrued expenses, deferred revenue. The Due to Other Fund represents funds borrowed by the Special Revenue Fund grants from the General Fund in order to pay grant expenses. Once the expenses are paid, the Special Revenue Fund requests reimbursement from the grant and repays the General Fund upon receipt.

Total assets of the District's Government Activities increased to \$4,655,913 in FY 2022 from \$3,703,365 in FY 2021. Total assets of the District's Government Activities decreased to \$3,703,365 in FY 2021 from \$3,815,061 in FY 2020.

Eastern Oklahoma Development District
Managements Discussion and Analysis
June 30, 2022 and 2021

Statement of Net Assets (Continued)

Following is a comparison of the summarized financial position, net assets, and capital assets of the District at June 30, 2022, 2021, and 2020:

	2022 <i>(000's)</i>	2021 <i>(000's)</i>	2020 <i>(000's)</i>
Assets			
Cash	\$ 2,974	\$ 2,563	\$ 2,911
Accounts Receivable	1,343	986	772
Due from Other Fund	281	94	82
Due from EODD Trust	50	50	50
Capital Assets, Net	7	9	0
Total Assets	<u>4,656</u>	<u>3,703</u>	<u>3,815</u>
Liabilities			
Accounts Payable	840	421	854
Due to Other Fund	281	94	82
Deferred Revenue	2,036	1,851	1,990
Total Liabilities	<u>3,157</u>	<u>2,366</u>	<u>2,926</u>
Net Assets			
Investment in Capital Assets	7	9	0
Unrestricted	1,492	1,328	889
Total Net Assets	<u>\$1,499</u>	<u>\$ 1,337</u>	<u>\$ 889</u>

Revenues includes Federal and state grants that are renewable each year. Total revenues increased by \$547,893 in 2022, increased by \$678,052 in 2021, and increased by \$536,360 in 2020. Local grants remained consistent over the past 3 years. Other revenues of the District remained consistent over the past 3 years.

The District's operating expenses are classified by natural classification, including pass-through grants, employee compensation, fringe benefits, contractual services, etc. In FY 2022, total operating expenses increased by \$823,944 and in FY 2021 increased by \$211,312. In FY 2020, total operating expenses increased by \$591,227. All other operating expenses experienced slight decreases.

Eastern Oklahoma Development District
Managements Discussion and Analysis
June 30, 2022 and 2021

Statement of Revenues, Expenses, and Changes in Net Assets

Following is a comparison of operating results for the years ended June 30, 2022, 2021, and 2020:

Operating Results for the Years Ended June 30
Governmental Activities
(in thousands)

	2022	2021	2020
	<u>(000's)</u>	<u>(000's)</u>	<u>(000's)</u>
Operating Revenues			
Federal Grants	\$ 2,711	\$ 2,201	\$ 1,569
State Grants	2,895	2,989	2,918
Local Grants	88	76	96
Other	<u>186</u>	<u>66</u>	<u>71</u>
Total	<u>5,880</u>	<u>5,332</u>	<u>4,654</u>
Operating Expenses			
Pass-through Grants	4,149	3,455	3,528
Wages	583	584	492
Contract labor	338	225	167
Fringe Benefits	184	190	158
Indirect Costs	148	146	149
Other	<u>315</u>	<u>292</u>	<u>188</u>
Total	<u>5,717</u>	<u>4,893</u>	<u>4,682</u>
Increase in Net Assets	163	439	(27)
Net Assets at Beginning of Year	<u>1,328</u>	<u>889</u>	<u>916</u>
Net Assets at end of Year	<u>\$1,492</u>	<u>\$1,328</u>	<u>\$ 889</u>

Eastern Oklahoma Development District
Managements Discussion and Analysis
June 30, 2022 and 2021

Statement of Cash Flows

This statement applies to only the business-type activities which consist of the building trust. The statement is used to determine the Trust's ability to meet its obligations and to determine if external financing is needed. It is presented using the direct method with four major classifications: operating activities, financing activities, and investing activities.

Following is a comparison of cash flows for the years ended June 30, 2022, 2021, and 2020:

Cash Flows for the Years Ended June 30
(in thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash Provided (Used) by			
Operating Activities	\$ 6,382	\$ 10,605	\$ 7,252
Financing Activities	-	-	-
Investing Activities	<u>(10,625)</u>	<u>-</u>	<u>(21,660)</u>
Net Increase (Decrease) in cash	(4,243)	10,605	(14,408)
Cash at beginning of Year	<u>19,714</u>	<u>9,109</u>	<u>23,517</u>
Cash at End of Year	<u>\$15,471</u>	<u>\$19,714</u>	<u>\$ 9,109</u>

Conclusion

The Fiscal Year FY2022 began with the Eastern Oklahoma Development District (EODD) and similar organizations across Oklahoma and the United States beginning to recover from the adverse conditions created by the COVID-19 Pandemic. EODD and the Oklahoma Association of Regional Councils (OARC) saw an influx of State and Federal funding for existing and newly created programs on a magnitude never seen before. This in itself, created issues with funding offered without clear spending criteria. EODD's Community and Economic Development Division will focus on implementing grant funding for disaster recovery through the U. S. Department of Commerce's Economic Development Administration and the Oklahoma Department of Commerce's Community Development Block Grant programs. The enormity of the grants and working with new grant dynamics will be both challenging and rewarding. The new grant programs and EODD's Area on Agency programs getting back to the new normal will make for a very good FY2023 for EODD.

Eastern Oklahoma Development District
Statement of Net Position
June 30, 2022

	Government Activities	Business- Type Activities	Total
Assets			
Cash	\$ 2,974,428	\$ 15,471	\$ 2,989,899
Accounts receivable	1,343,079	-	1,343,079
Prepaid expenses	227	-	227
Due from other funds	280,563	-	280,563
Due from EODD Trust	50,000	-	50,000
Capital assets, net	7,616	127,572	135,188
Total Assets	4,655,913	143,043	4,798,956
Liabilities			
Accounts payable	840,017	-	840,017
Due to other funds	280,563	50,000	330,563
Deferred revenue	2,036,101	-	2,036,101
Total Liabilities	3,156,681	50,000	3,206,681
Net Position			
Net Investment in capital assets	7,616	127,572	135,188
Unrestricted	1,491,616	(34,529)	1,457,087
Total Net Position	\$ 1,499,232	\$ 93,043	\$ 1,592,275

Eastern Oklahoma Development District
Statement of Activities
For the Year Ended June 30, 2022

Function/Programs	Program Revenue				Net Revenue (Expense) and Changes in Net Position		
	Program Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Government Activities	Business-Type Activities	
Primary Government							
Government Activities							
General Government	\$ 94,637	\$ 178,272	\$ -	\$ -	\$ 83,635	\$ -	\$ 83,635
Aging Services	3,133,729	-	2,833,470	-	(300,259)	-	(300,259)
Rural Economic Action Plan	1,338,393	77,375	1,293,311	-	32,293	-	32,293
Economic Development	760,414	10,985	1,010,341	-	260,912	-	260,912
Community Development	390,946	-	469,229	-	78,283	-	78,283
Total Government Activities	<u>5,718,119</u>	<u>266,632</u>	<u>5,606,351</u>	<u>-</u>	<u>154,864</u>	<u>-</u>	<u>154,864</u>
Business-Type Activities							
Building Trust	<u>26,001</u>	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,001)</u>	<u>(2,001)</u>
Total Business-Type Activities	<u>26,001</u>	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,001)</u>	<u>(2,001)</u>
Total Primary Government Activities	<u>\$ 5,744,120</u>	<u>\$ 290,632</u>	<u>\$ 5,606,351</u>	<u>\$ -</u>	<u>154,864</u>	<u>(2,001)</u>	<u>152,863</u>
General Revenues:							
Interest Income					<u>7,339</u>	<u>3</u>	<u>7,342</u>
Total General Revenues					<u>7,339</u>	<u>3</u>	<u>7,342</u>
Change in Net Position					162,203	(1,998)	160,205
Net Position, Beginning of Year					<u>1,337,029</u>	<u>95,041</u>	<u>1,432,070</u>
Net Position, End of Year					<u>\$ 1,499,232</u>	<u>\$ 93,043</u>	<u>\$ 1,592,275</u>

Eastern Oklahoma Development District
Statement of Net Position
June 30, 2021

	Government Activities	Business- Type Activities	Total
Assets			
Cash	\$ 2,563,431	\$ 19,714	\$ 2,583,145
Accounts receivable	986,412	-	986,412
Prepaid expenses	227	-	227
Due from other funds	94,492	-	94,492
Due from EODD Trust	50,000	-	50,000
Capital assets, net	<u>8,803</u>	<u>125,669</u>	<u>134,472</u>
Total Assets	<u>3,703,365</u>	<u>145,383</u>	<u>3,848,748</u>
 Liabilities			
Accounts payable	420,752	342	421,094
Due to other funds	94,492	50,000	144,492
Deferred revenue	<u>1,851,092</u>	<u>-</u>	<u>1,851,092</u>
Total Liabilities	<u>2,366,336</u>	<u>50,342</u>	<u>2,416,678</u>
 Net Position			
Net Investment in capital assets	8,803	125,669	134,472
Unrestricted	<u>1,328,226</u>	<u>(30,628)</u>	<u>1,297,598</u>
Total Net Position	<u>\$ 1,337,029</u>	<u>\$ 95,041</u>	<u>\$ 1,432,070</u>

Eastern Oklahoma Development District
Statement of Activities
For the Year Ended June 30, 2021

Function/Programs	Program Revenue				Net Revenue (Expense) and Changes in Net Position		
	Program Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Government Activities	Business-Type Activities	
Primary Government							
Government Activities							
General Government	\$ 19,462	\$ 57,073	\$ -	\$ -	\$ 37,611	\$ -	\$ 37,611
Aging Services	2,334,579	-	2,627,279	-	292,700	-	292,700
Rural Economic Action Plan	1,595,365	-	1,596,830	-	1,465	-	1,465
Economic Development	613,431	76,470	593,940	-	56,979	-	56,979
Community Development	321,352	-	371,878	-	50,526	-	50,526
Total Government Activities	<u>4,884,189</u>	<u>133,543</u>	<u>5,189,927</u>	<u>-</u>	<u>439,281</u>	<u>-</u>	<u>439,281</u>
Business-Type Activities							
Building Trust	<u>23,346</u>	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>654</u>	<u>654</u>
Total Business-Type Activities	<u>23,346</u>	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>654</u>	<u>654</u>
Total Primary Government Activities	<u>\$ 4,907,535</u>	<u>\$ 157,543</u>	<u>\$ 5,189,927</u>	<u>\$ -</u>	<u>439,281</u>	<u>654</u>	<u>439,935</u>
General Revenues:							
Interest Income					<u>8,873</u>	<u>2</u>	<u>8,875</u>
Total General Revenues					<u>8,873</u>	<u>2</u>	<u>8,875</u>
Change in Net Position					448,154	656	448,810
Net Position, Beginning of Year					<u>888,875</u>	<u>94,385</u>	<u>983,260</u>
Net Position, End of Year					<u>\$ 1,337,029</u>	<u>\$ 95,041</u>	<u>\$ 1,432,070</u>

Eastern Oklahoma Development District
Governmental Funds Balance Sheet
June 30, 2022

	<u>General Funds</u>	<u>Area Agency on Aging</u>	<u>Rural Economic Action Plan</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash	\$ 861,636	\$ (164,469)	\$ 1,862,315	\$ 414,946	\$ 2,974,428
Accounts receivable	61,166	766,840	316,108	198,965	1,343,079
Prepaid expense	227	-	-	-	227
Due from Other Fund	196,866	67,531	-	16,166	280,563
Due from EODD Trust	50,000	-	-	-	50,000
Total Assets	<u>1,169,895</u>	<u>669,902</u>	<u>2,178,423</u>	<u>630,077</u>	<u>4,648,297</u>
Liabilities					
Accounts payable	71,561	604,344	97,546	66,566	840,017
Due to other fund	278,372	-	-	2,191	280,563
Deferred revenue	-	-	1,983,648	52,453	2,036,101
Total Liabilities	<u>349,933</u>	<u>604,344</u>	<u>2,081,194</u>	<u>121,210</u>	<u>3,156,681</u>
Fund Balance					
Unrestricted	<u>819,962</u>	<u>65,558</u>	<u>97,229</u>	<u>508,867</u>	<u>1,491,616</u>
Total Fund Balance	<u>819,962</u>	<u>65,558</u>	<u>97,229</u>	<u>508,867</u>	<u>1,491,616</u>
Total Liabilities and Fund Balance	<u>\$ 1,169,895</u>	<u>\$ 669,902</u>	<u>\$ 2,178,423</u>	<u>\$ 630,077</u>	<u>\$ 4,648,297</u>

Eastern Oklahoma Development District
Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balance
Year Ended June 30, 2022

	General Funds	Area Agency on Aging	Rural Economic Action Plan	Other Governmental Funds	Total Governmental Funds
Revenues					
Federal grants	\$ -	\$ 1,432,018	\$ 815,315	\$ 463,627	\$ 2,710,960
State grants and appropriations	-	1,401,452	477,996	1,015,944	2,895,392
Local charges and services	-	-	77,375	10,985	88,360
Members' dues and assessments	178,272	-	-	-	178,272
Investment income	968	-	6,372	-	7,340
Match revenue	(23,389)	31,571	-	(8,182)	-
Total Revenues	<u>155,851</u>	<u>2,865,041</u>	<u>1,377,058</u>	<u>1,482,374</u>	<u>5,880,324</u>
Expenses					
Salaries	4,365	345,406	10,050	222,923	582,744
Contract labor	12,800	95	19,845	305,395	338,135
Fringe benefits	-	110,410	2,579	71,374	184,363
Indirect costs	-	64,674	4,719	78,194	147,587
Travel	-	22,472	-	14,582	37,054
Other expenses	77,473	30,918	42	31,208	139,641
Respite	-	124,762	-	-	124,762
Home aide services	-	13,820	-	-	13,820
Pass-through grants	-	2,421,171	1,301,158	426,499	4,148,828
Total Expenses	<u>94,638</u>	<u>3,133,728</u>	<u>1,338,393</u>	<u>1,150,175</u>	<u>5,716,934</u>
Net Change in Fund Balances	61,213	(268,687)	38,665	332,199	163,390
Fund Balances, Beginning of Year	<u>758,749</u>	<u>334,245</u>	<u>58,564</u>	<u>176,668</u>	<u>1,328,226</u>
Fund Balances, End of Year	<u>\$ 819,962</u>	<u>\$ 65,558</u>	<u>\$ 97,229</u>	<u>\$ 508,867</u>	<u>\$ 1,491,616</u>

Eastern Oklahoma Development District
 Reconciliation of Governmental Funds and
 Government-wide Financial Statements
 Year Ended June 30, 2022

**Reconciliation of the Government Funds Balance
 Sheet to the Statement of Net Position**

Total fund balances - governmental funds	\$ 1,491,616
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$67,627.	<u>7,616</u>
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Net position of governmental activities	\$ <u>1,499,232</u>
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**Reconciliation of the Statement of Revenues,
 Expenditures and Changes in fund Balance of
 Governmental funds to the Statement of Activities**

Net change in fund balance - governmental funds	\$ 163,390
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays and issue costs as expenditures, while governmental activities report depreciation and amortization expense to allocate those expenditures over the life of the assets:	
Depreciation expense	<u>(1,187)</u>

Change in Net Position - governmental activities	\$ <u>162,203</u>
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Eastern Oklahoma Development District
Governmental Funds Balance Sheet
 June 30, 2021

	General Funds	Area Agency on Aging	Rural Economic Action Plan	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 868,142	\$ (151,809)	\$ 1,758,499	\$ 88,599	\$ 2,563,431
Accounts receivable	-	643,290	153,383	189,739	986,412
Prepaid expense	227	-	-	16,166	16,393
Due from Other Fund	12,986	65,340	-	-	78,326
Due from EODD Trust	50,000	-	-	-	50,000
Total Assets	<u>931,355</u>	<u>556,821</u>	<u>1,911,882</u>	<u>294,504</u>	<u>3,694,562</u>
Liabilities					
Accounts payable	78,114	222,576	54,679	65,383	420,752
Due to other fund	94,492	-	-	-	94,492
Deferred revenue	-	-	1,798,639	52,453	1,851,092
Total Liabilities	<u>172,606</u>	<u>222,576</u>	<u>1,853,318</u>	<u>117,836</u>	<u>2,366,336</u>
Fund Balance					
Unrestricted	<u>758,749</u>	<u>334,245</u>	<u>58,564</u>	<u>176,668</u>	<u>1,328,226</u>
Total Fund Balance	<u>758,749</u>	<u>334,245</u>	<u>58,564</u>	<u>176,668</u>	<u>1,328,226</u>
Total Liabilities and Fund Balance	<u>\$ 931,355</u>	<u>\$ 556,821</u>	<u>\$ 1,911,882</u>	<u>\$ 294,504</u>	<u>\$ 3,694,562</u>

Eastern Oklahoma Development District
Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balance
Year Ended June 30, 2021

	General Funds	Area Agency on Aging	Rural Economic Action Plan	Other Governmental Funds	Total Governmental Funds
Revenues					
Federal grants	\$ -	\$ 1,503,178	\$ 383,625	\$ 313,966	\$ 2,200,769
State grants and appropriations	-	1,124,101	1,213,204	651,852	2,989,157
Local charges and services	-	-	-	76,470	76,470
Members' dues and assessments	57,073	-	-	-	57,073
Investment income	912	-	7,960	-	8,872
Match revenue	(20,924)	27,742	-	(6,818)	-
Total Revenues	<u>37,061</u>	<u>2,655,021</u>	<u>1,604,789</u>	<u>1,035,470</u>	<u>5,332,341</u>
Expenses					
Salaries	14,193	347,387	10,608	211,980	584,168
Contract labor	-	-	19,845	204,845	224,690
Fringe benefits	-	115,882	2,879	71,360	190,121
Indirect costs	-	64,394	4,563	77,101	146,058
Travel	-	8,871	44	7,238	16,153
Other expenses	5,266	19,419	34	135,249	159,968
Respite	-	94,728	-	-	94,728
Home aide services	-	21,630	-	-	21,630
Pass-through grants	-	1,662,269	1,557,391	235,814	3,455,474
Total Expenses	<u>19,459</u>	<u>2,334,580</u>	<u>1,595,364</u>	<u>943,587</u>	<u>4,892,990</u>
Net Change in Fund Balances	17,602	320,441	9,425	91,883	439,351
Fund Balances, Beginning of Year	<u>741,147</u>	<u>13,804</u>	<u>49,139</u>	<u>84,785</u>	<u>888,875</u>
Fund Balances, End of Year	<u>\$ 758,749</u>	<u>\$ 334,245</u>	<u>\$ 58,564</u>	<u>\$ 176,668</u>	<u>\$ 1,328,226</u>

Eastern Oklahoma Development District
 Reconciliation of Governmental Funds and
 Government-wide Financial Statements
 Year Ended June 30, 2021

**Reconciliation of the Government Funds Balance
 Sheet to the Statement of Net Position**

Total fund balances - governmental funds	\$ 1,328,226
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$66,440.	<u>8,803</u>
Net position of governmental activities	<u>\$ 1,337,029</u>

**Reconciliation of the Statement of Revenues,
 Expenditures and Changes in fund Balance of
 Governmental funds to the Statement of Activities**

Net change in fund balance - governmental funds	\$ 439,351
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays and issue costs as expenditures, while governmental activities report depreciation and amortization expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	9,495
Depreciation expense	(692)
Capital asset disposition, net	<u>-</u>
Change in Net Position - governmental activities	<u>\$ 448,154</u>

Eastern Oklahoma Development District
 Statements of Net Position
 Proprietary Funds
 June 30, 2022 and 2021

	2022	2021
Assets		
Cash	\$ 15,471	\$ 19,714
Capital assets, net	127,572	125,669
Total Assets	143,043	145,383
Liabilities		
Accounts payable	-	342
Due to other fund	50,000	50,000
Total Liabilities	50,000	50,342
Net Position		
Net investment in capital assets	127,572	125,669
Unrestricted	(34,529)	(30,628)
Total Net Position	\$ 93,043	\$ 95,041

Eastern Oklahoma Development District
 Statements of Revenues, Expense, and Changes in Net Position
 Proprietary Funds
 Years Ended June 30, 2022 and 2021

	2022	2021
Operating Revenues		
Rent income	\$ 24,000	\$ 24,000
Interest income	3	2
Total Operating Revenues	24,003	24,002
Operating Expenses		
Depreciation	8,722	9,607
Other expenses	17,279	13,739
Total Operating Expenses	26,001	23,346
Changes in Net Position	(1,998)	656
Net Position, Beginning of Year	95,041	94,385
Net Position, End of Year	\$ 93,043	\$ 95,041

Eastern Oklahoma Development District
Statements of Cash Flows
Proprietary Funds
Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Receipts of rent	\$ 24,000	\$ 24,000
Receipts of interest	3	2
Payment to vendors	<u>(17,621)</u>	<u>(13,397)</u>
Net Cash Provided by Operating Activities	<u>6,382</u>	<u>10,605</u>
Cash Flows From Investing Activities		
Purchase of fixed assets	<u>(10,625)</u>	<u>-</u>
Net Cash Used in Investing Activities	<u>(10,625)</u>	<u>-</u>
Net Change in Cash	(4,243)	10,605
Cash, Beginning of Year	<u>19,714</u>	<u>9,109</u>
Cash, End of Year	<u>\$ 15,471</u>	<u>\$ 19,714</u>
Reconciliation of Increase (Decrease) in Fund Balance to Cash Used in Operating Activities:		
Change in net position	\$ (1,998)	\$ 656
Adjustment to reconcile change in net position to cash provided by (used in) operating activities:		
Depreciation expense	8,722	9,607
Change in:		
Increase (decrease) in accounts payable	<u>(342)</u>	<u>342</u>
Net Cash Provided by Operating Activities	<u>\$ 6,382</u>	<u>\$ 10,605</u>

Eastern Oklahoma Development District

Notes to Financial Statements

June 30, 2022 and 2021

Note 1: Summary of Significant Accounting Policies

Eastern Oklahoma Development District (the Organization) is a local governmental unit covering the Oklahoma counties of Adair, Cherokee, McIntosh, Muskogee, Okmulgee, Sequoyah, and Wagoner. The Organization was formed on May 4, 1971 under the Oklahoma Inter-local Cooperation Act 74 O.S. The primary purpose of the Organization is to improve governments through planning, management and administration.

The financial statements of the Organization are prepared in accordance with generally accepted accounting principles (GAAP) of the United States of America. The Organization is considered a governmental entity as defined by the Governmental Accounting Standards Board (GASB) and applies all relevant GASB pronouncements. Its operations are considered proprietary in nature, and therefore, the Organization has adopted a reporting framework similar to that of proprietary type funds. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

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

General Fund - The General Fund is the primary operating fund of the Organization. It is used to account for all financial resources except those required to be accounted for in the Special Revenue Funds. The general revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

Special Revenue Fund - Special Revenue Funds are used to account for the proceeds of specific revenue resources that are legally, contractually, or administratively restricted to expenditures for specific purposes. Specific purpose grant funds are accounted for as Special Revenue Funds. The Special Revenue Funds are operated on a contract basis.

Discretely Presented Component Unit

Eastern Oklahoma Development District, a Trust Eastern Oklahoma Development District (the Building Trust Eastern Oklahoma Development District) is a trust, which was created to own the building used to house the operations of the Organization. The Organization rents the building on a monthly basis from the Building Trust Eastern Oklahoma Development District. The Building Trust Eastern Oklahoma Development District was formed on October 27, 1994 and purchased the facilities at 1012 N. 38th Street, Muskogee, Oklahoma on June 9, 1995.

The Building Trust Eastern Oklahoma Development District is considered a component unit of the Organization and is, therefore, reported within the Organization's combined financial statements. It is reported in a separate column to emphasize it is a legally separate entity.

Eastern Oklahoma Development District

Notes to Financial Statements

June 30, 2022 and 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. Measurement focus refers to what is being measured. Basis of accounting is related to the timing of the measurement made regardless of the measurement focus applied. The General Fund and Special Revenue Funds use a financial resources measurement focus and are accounted for by the accrual basis of accounting. Revenue is recognized when earned, expenditures are recognized when the related fund liability is incurred, if measurable.

Cash and Cash Equivalents

The Organization defines cash and cash equivalents to be all cash and certificates of deposit with original maturities of three months or less. Cash equivalents of \$2,987,399 and \$2,583,145 as of June 30, 2022 and 2021, respectively, were invested with a major local financial institution in a sweep repo account, which invests in treasury obligations.

Deposits and Investments

In accordance with state law, all uninsured deposits in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain state of Oklahoma or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the Organization must have a written collateral agreement approved by the Board of Directors or loan committee. As reflected in Note 2, all deposits were fully insured or collateralized.

Investments

Investments consist of marketable debt and equity securities and certificates of deposit with original maturities of more than three months. Investments are carried at fair market value based on the quoted market prices of the underlying securities.

Land, Building, and Equipment

Fixed assets are recorded at historical cost. Depreciation and accumulated depreciation are recorded for assets purchased with general or special revenue funds that cost \$300 or more. Depreciation on fixed assets is computed on the following estimated useful lives of the assets:

Buildings	20 years
Furniture	10 years
Computer equipment	5 years
Office equipment	5 - 10 years

Eastern Oklahoma Development District

Notes to Financial Statements

June 30, 2022 and 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Annual Budget

The Organization is not required to have a legally binding budget, though they use an annual budget as a management tool. The Organization's primary source of funding is from federal, state, and local grants which have varying grant periods that may or may not coincide with the Organization's fiscal year. The annual budget is subject to constant change within the fiscal year due to increase or decrease in actual grant awards from amounts estimated, changes in grant periods, unanticipated grant awards from amounts estimated, unanticipated grant awards not included in the budget, and estimated grant awards that fail to materialize.

Allocated Expenses

Expenses by function have been allocated among program and supporting services classifications on the basis of time records and on estimates made by the Organization's management.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and cash equivalents, short-term investments and grants receivable. The Organization places its cash and certificates of deposit with high quality financial institutions. The Organization's management believes that the credit risk is adequately provided for to which it is exposed.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes thereto. Actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through February 27, 2023, which is the date the financial statements were issued.

Note 2: Cash and Investments

Deposits with banks and financial institutions are carried at cash value. The table presented below is designed to disclose the level of custody credit risk assumed by the Organization based upon how its deposits were insured or secured with collateral at June 30, 2022 and 2021. The categories of credit risk are defined as follows:

Eastern Oklahoma Development District

Notes to Financial Statements

June 30, 2022 and 2021

Note 2: Cash and Investments (Continued)

Category 1 - Insured by FDIC or collateralized by securities held by the Organization or by its agent in its name.

Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Organization's name.

Category 3 - Deposits which are not collateralized or insured.

A summary of the deposits at June 30, 2022 consisted of the following:

Type of Deposits	June 30, 2022				
	Total Bank Balance	Custody (Category 1)	Credit Risk (Category 2)	Uninsured (Category 3)	Carrying Value
<i>Demand Deposits</i>					
Eastern Oklahoma					
Development District	\$ 3,049,780	\$ 500,000	\$ 2,549,780	\$ -	\$ 2,974,428
Building Trust Eastern					
Oklahoma Development Dist.	26,625	26,625	-	-	15,471
Total Deposits	<u>\$ 3,076,405</u>	<u>\$ 526,625</u>	<u>\$ 2,549,780</u>	<u>\$ -</u>	<u>\$ 2,989,899</u>

A summary of the deposits at June 30, 2021 consisted of the following:

Type of Deposits	June 30, 2021				
	Total Bank Balance	Custody (Category 1)	Credit Risk (Category 2)	Uninsured (Category 3)	Carrying Value
<i>Demand Deposits</i>					
Eastern Oklahoma					
Development District	\$ 2,602,548	\$ 500,000	\$ 2,102,548	\$ -	\$ 2,563,431
Building Trust Eastern					
Oklahoma Development Dist.	21,201	21,201	-	-	19,714
Total Deposits	<u>\$ 2,623,749</u>	<u>\$ 521,201</u>	<u>\$ 2,102,548</u>	<u>\$ -</u>	<u>\$ 2,583,145</u>

Eastern Oklahoma Development District

Notes to Financial Statements

June 30, 2022 and 2021

Note 3: Accounts Receivable

Accounts receivable, consisting of advances to subgrantees and local project service contracts, are carried at cost. The Organization did not recognize any allowance for uncollectible amounts at June 30, 2022 or 2021.

Note 4: Amounts Due Between Funds

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

Interfund balances at June 30, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Due to Special Revenue Funds from General Funds	\$ 280,563	\$ 94,492
Due to General Funds from Special Revenue Funds	\$ (280,563)	\$ (94,492)
Due to General Funds from Building Trust Eastern Oklahoma Development District	\$ 50,000	\$ 50,000
Due to Building Trust Eastern Oklahoma Development District from General Funds	\$ (50,000)	\$ (50,000)

Eastern Oklahoma Development District
Notes to Financial Statements
June 30, 2022 and 2021

Note 5: Capital Assets

A summary of changes in fixed assets for the year ended June 30, 2022, is as follows:

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>
<u>Government Activities</u>				
Capital assets:				
Building improvements	\$ 1,900	\$ -	\$ -	\$ 1,900
Furniture and equipment	73,343	-	-	73,343
Total historical cost	<u>75,243</u>	<u>-</u>	<u>-</u>	<u>75,243</u>
Less accumulated depreciation:				
Building improvements	(1,900)	-	-	(1,900)
Furniture and equipment	<u>(64,540)</u>	<u>(1,187)</u>	<u>-</u>	<u>(65,727)</u>
Total accumulated depreciation	<u>(66,440)</u>	<u>(1,187)</u>	<u>-</u>	<u>(67,627)</u>
Total capital assets, net	<u>\$ 8,803</u>	<u>\$ (1,187)</u>	<u>\$ -</u>	<u>\$ 7,616</u>
<u>Business-Type Activities</u>				
Capital assets:				
Land	\$ 20,250	\$ -	\$ -	\$ 20,250
Buildings and improvements	249,456	10,625	-	260,081
Furniture and equipment	<u>30,129</u>	<u>-</u>	<u>-</u>	<u>30,129</u>
Total historical cost	<u>299,835</u>	<u>10,625</u>	<u>-</u>	<u>310,460</u>
Less accumulated depreciation:				
Buildings and improvements	(148,689)	(7,360)	-	(156,049)
Furniture and equipment	<u>(25,477)</u>	<u>(1,362)</u>	<u>-</u>	<u>(26,839)</u>
Total accumulated depreciation	<u>(174,166)</u>	<u>(8,722)</u>	<u>-</u>	<u>(182,888)</u>
Total capital assets, net	<u>\$ 125,669</u>	<u>\$ 1,903</u>	<u>\$ -</u>	<u>\$ 127,572</u>

Eastern Oklahoma Development District

Notes to Financial Statements

June 30, 2022 and 2021

Note 5: Capital Assets (Continued)

A summary of changes in fixed assets for the year ended June 30, 2021, is as follows:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2021</u>
<i>Government Activities</i>				
Capital assets:				
Building improvements	\$ 1,900	\$ -	\$ -	\$ 1,900
Furniture and equipment	63,848	9,495	-	73,343
Total historical cost	<u>65,748</u>	<u>9,495</u>	<u>-</u>	<u>75,243</u>
Less accumulated depreciation:				
Building improvements	(1,900)	-	-	(1,900)
Furniture and equipment	(63,848)	(692)	-	(64,540)
Total accumulated depreciation	<u>(65,748)</u>	<u>(692)</u>	<u>-</u>	<u>(66,440)</u>
Total capital assets, net	<u>\$ -</u>	<u>\$ 8,803</u>	<u>\$ -</u>	<u>\$ 8,803</u>
<i>Business-Type Activities</i>				
Capital assets:				
Land	\$ 20,250	\$ -	\$ -	\$ 20,250
Buildings and improvements	249,456	-	-	249,456
Furniture and equipment	30,129	-	-	30,129
Total historical cost	<u>299,835</u>	<u>-</u>	<u>-</u>	<u>299,835</u>
Less accumulated depreciation:				
Buildings and improvements	(140,444)	(8,245)	-	(148,689)
Furniture and equipment	(24,115)	(1,362)	-	(25,477)
Total accumulated depreciation	<u>(164,559)</u>	<u>(9,607)</u>	<u>-</u>	<u>(174,166)</u>
Total capital assets, net	<u>\$ 135,276</u>	<u>\$ (9,607)</u>	<u>\$ -</u>	<u>\$ 125,669</u>

Note 6: Retirement Plan

The Organization has a defined contribution 401(k) pension plan covering substantially all of its employees. The Organization makes matching contributions equal to the employee's contribution not to exceed 5% of the employees' gross wages. The contribution during 2022 and 2021 was \$20,534 and \$18,696, respectively.

Eastern Oklahoma Development District

Notes to Financial Statements

June 30, 2022 and 2021

Note 7: Related Party Transactions

The Organization leases space from the Building Trust Eastern Oklahoma Development District on a month to month basis. Lease expense was \$24,000 for the fiscal years ending June 30, 2022 and 2021.

Note 8: Economic Dependency

The Organization receives a significant portion of its revenue from funds provided through federal and state grants. The grant amounts are appropriated each year at the federal and/or state level. The amount of the funds the Organization receives could be reduced significantly, which would have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Organization will receive in the next year.

Note 9: Commitments and Contingent Liabilities

In the normal course of operations, the Organization participates in a number of federal and state assisted grant programs. These programs are subject to audit by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Presently, the Organization has no such requests pending, and in the opinion of management, any such amounts would not be considered material.

Eastern Oklahoma Development District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	<u>EDA</u>	<u>State Approp</u>	<u>CIP</u>	<u>CENA</u>	<u>Masonic</u>	<u>AAA Donation/ MMOG Admin</u>	<u>NW 11 Masonic</u>
Assets							
Cash	\$ (43,511)	\$ (682)	\$ 94,169	\$ (28,699)	\$ 55,888	\$ 30,294	\$ 42,118
Accounts receivable	29,167	682	94	63,825	-	615	-
Due from other fund	16,126	-	-	-	-	-	-
Total Assets	<u>1,782</u>	<u>-</u>	<u>94,263</u>	<u>35,126</u>	<u>55,888</u>	<u>30,909</u>	<u>42,118</u>
Liabilities							
Accounts payable	433	-	50	35,114	3,087	-	-
Due to other fund	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	40,102	-	-
Total Liabilities	<u>433</u>	<u>-</u>	<u>50</u>	<u>35,114</u>	<u>43,189</u>	<u>-</u>	<u>-</u>
Fund Balance							
Unrestricted	<u>1,349</u>	<u>-</u>	<u>94,213</u>	<u>12</u>	<u>12,699</u>	<u>30,909</u>	<u>42,118</u>
Total Fund Balance	<u>1,349</u>	<u>-</u>	<u>94,213</u>	<u>12</u>	<u>12,699</u>	<u>30,909</u>	<u>42,118</u>
Total Liabilities and Fund Balance	<u>\$ 1,782</u>	<u>\$ -</u>	<u>\$ 94,263</u>	<u>\$ 35,126</u>	<u>\$ 55,888</u>	<u>\$ 30,909</u>	<u>\$ 42,118</u>

Eastern Oklahoma Development District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	<u>MMOG</u>	<u>EDA Cares</u>	<u>Rural Fire</u>	<u>CDBG</u>	<u>Case Mgmt</u>	<u>SHIP</u>	<u>Total Other Government Funds</u>
Assets							
Cash	\$ (48)	\$ (38,988)	\$ (4,906)	\$ 79,615	\$ 230,033	\$ (337)	\$ 414,946
Accounts receivable	11,528	39,986	6,838	8,806	31,175	6,249	198,965
Due from other fund	-	-	-	-	40	-	16,166
Total Assets	<u>11,480</u>	<u>998</u>	<u>1,932</u>	<u>88,421</u>	<u>261,248</u>	<u>5,912</u>	<u>630,077</u>
Liabilities							
Accounts payable	11,528	1,000	12	87	15,255	-	66,566
Due to other fund	2,191	-	-	-	-	-	2,191
Deferred revenue	-	-	12,351	-	-	-	52,453
Total Liabilities	<u>13,719</u>	<u>1,000</u>	<u>12,363</u>	<u>87</u>	<u>15,255</u>	<u>-</u>	<u>121,210</u>
Fund Balance							
Unrestricted	<u>(2,239)</u>	<u>(2)</u>	<u>(10,431)</u>	<u>88,334</u>	<u>245,993</u>	<u>5,912</u>	<u>508,867</u>
Total Fund Balance	<u>(2,239)</u>	<u>(2)</u>	<u>(10,431)</u>	<u>88,334</u>	<u>245,993</u>	<u>5,912</u>	<u>508,867</u>
Total Liabilities and Fund Balance	<u>\$ 11,480</u>	<u>\$ 998</u>	<u>\$ 1,932</u>	<u>\$ 88,421</u>	<u>\$ 261,248</u>	<u>\$ 5,912</u>	<u>\$ 630,077</u>

Eastern Oklahoma Development District
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2022

	<u>EDA</u>	<u>State Approp</u>	<u>CIP</u>	<u>CENA</u>	<u>Masonic</u>	<u>AAA Donation/ MMOG Admin</u>	<u>NW 11 Masonic</u>
Revenues							
Federal grants	\$ 111,666	\$ -	\$ -	\$ -	\$ -	\$ 9,916	\$ 44,885
State grants and appropriations	-	8,182	87,560	207,507	77,825	14,244	-
Local charges and services	-	-	-	-	-	-	-
Members' dues and assessments	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Match revenue	-	(8,182)	-	-	-	-	-
Total revenues	<u>111,666</u>	<u>-</u>	<u>87,560</u>	<u>207,507</u>	<u>77,825</u>	<u>24,160</u>	<u>44,885</u>
Expenses							
Salaries	57,108	-	16,615	6,673	-	-	-
Contract labor	-	-	50	-	-	-	-
Fringe benefits	16,331	-	5,445	2,263	-	-	-
Indirect costs	12,704	-	6,560	1,508	-	-	-
Travel	2,244	-	646	53	-	224	-
Other expenses	5,823	-	1,846	97	1,832	1,427	46
Respite	-	-	-	-	-	-	-
Pass-through grants	-	-	-	196,913	76,579	-	2,721
Total expenses	<u>94,210</u>	<u>-</u>	<u>31,162</u>	<u>207,507</u>	<u>78,411</u>	<u>1,651</u>	<u>2,767</u>
Net Change in Fund Balances	17,456	-	56,398	-	(586)	22,509	42,118
Fund Balances, <i>Beginning of Year</i>	<u>(16,107)</u>	<u>-</u>	<u>37,815</u>	<u>12</u>	<u>13,285</u>	<u>8,400</u>	<u>-</u>
Fund Balances, <i>End of Year</i>	<u>\$ 1,349</u>	<u>\$ -</u>	<u>\$ 94,213</u>	<u>\$ 12</u>	<u>\$ 12,699</u>	<u>\$ 30,909</u>	<u>\$ 42,118</u>

Eastern Oklahoma Development District
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2022

	<u>MMOG</u>	<u>EDA Cares</u>	<u>Rural Fire</u>	<u>CDBG</u>	<u>Case Mgmt</u>	<u>SHIP</u>	<u>Total Other Government Funds</u>
Revenues							
Federal grants	\$ 150,286	\$ 140,625	\$ -	\$ -	\$ -	\$ 6,249	\$ 463,627
State grants and appropriations	(6,533)	-	61,000	-	566,159	-	1,015,944
Local charges and services	-	-	-	10,985	-	-	10,985
Members' dues and assessments	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Match revenue	-	-	-	-	-	-	(8,182)
Total revenues	<u>143,753</u>	<u>140,625</u>	<u>61,000</u>	<u>10,985</u>	<u>566,159</u>	<u>6,249</u>	<u>1,482,374</u>
Expenses							
Salaries	-	77,822	39,375	23,608	1,722	-	222,923
Contract labor	-	-	-	-	305,345	-	305,395
Fringe benefits	-	24,509	13,611	7,736	1,479	-	71,374
Indirect costs	-	15,120	9,156	6,104	27,042	-	78,194
Travel	-	6,072	3,682	1,324	-	337	14,582
Other expenses	4	17,102	862	896	1,273	-	31,208
Respite	-	-	-	-	-	-	-
Pass-through grants	150,286	-	-	-	-	-	426,499
Total expenses	<u>150,290</u>	<u>140,625</u>	<u>66,686</u>	<u>39,668</u>	<u>336,861</u>	<u>337</u>	<u>1,150,175</u>
Net Change in Fund Balances	(6,537)	-	(5,686)	(28,683)	229,298	5,912	332,199
Fund Balances, Beginning of Year	<u>4,298</u>	<u>(2)</u>	<u>(4,745)</u>	<u>117,017</u>	<u>16,695</u>	<u>-</u>	<u>176,668</u>
Fund Balances, End of Year	<u>\$ (2,239)</u>	<u>\$ (2)</u>	<u>\$ (10,431)</u>	<u>\$ 88,334</u>	<u>\$ 245,993</u>	<u>\$ 5,912</u>	<u>\$ 508,867</u>

Eastern Oklahoma Development District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	<u>EDA</u>	<u>State Approp</u>	<u>CIP</u>	<u>CENA</u>	<u>Masonic</u>	<u>AAA Donation/ MMOG Admin</u>
Assets						
Cash	\$ (49,733)	\$ (568)	\$ 1,465	\$ (16,598)	\$ 53,552	\$ 8,400
Accounts receivable	17,500	568	36,350	55,117	-	-
Due from other fund	16,126	-	-	-	-	-
Total Assets	<u>(16,107)</u>	<u>-</u>	<u>37,815</u>	<u>38,519</u>	<u>53,552</u>	<u>8,400</u>
Liabilities						
Accounts payable	-	-	-	38,507	165	-
Due to other fund	-	-	-	-	-	-
Deferred revenue	-	-	-	-	40,102	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,507</u>	<u>40,267</u>	<u>-</u>
Fund Balance						
Unrestricted	<u>(16,107)</u>	<u>-</u>	<u>37,815</u>	<u>12</u>	<u>13,285</u>	<u>8,400</u>
Total Fund Balance	<u>(16,107)</u>	<u>-</u>	<u>37,815</u>	<u>12</u>	<u>13,285</u>	<u>8,400</u>
Total Liabilities and Fund Balance	<u>\$ (16,107)</u>	<u>\$ -</u>	<u>\$ 37,815</u>	<u>\$ 38,519</u>	<u>\$ 53,552</u>	<u>\$ 8,400</u>

Eastern Oklahoma Development District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	MMOG	EDA Cares	Rural Fire	CDBG	Case Mgmt	Total Other Government Funds
Assets						
Cash	\$ 5,720	\$ (30,696)	\$ 797	\$ 104,952	\$ 11,308	\$ 88,599
Accounts receivable	14,733	30,694	6,838	12,065	15,874	189,739
Due from other fund	-	-	-	-	40	16,166
Total Assets	<u>20,453</u>	<u>(2)</u>	<u>7,635</u>	<u>117,017</u>	<u>27,222</u>	<u>294,504</u>
Liabilities						
Accounts payable	16,155	-	29	-	10,527	65,383
Due to other fund	-	-	-	-	-	-
Deferred revenue	-	-	12,351	-	-	52,453
Total Liabilities	<u>16,155</u>	<u>-</u>	<u>12,380</u>	<u>-</u>	<u>10,527</u>	<u>117,836</u>
Fund Balance						
Unrestricted	4,298	(2)	(4,745)	117,017	16,695	176,668
Total Fund Balance	<u>4,298</u>	<u>(2)</u>	<u>(4,745)</u>	<u>117,017</u>	<u>16,695</u>	<u>176,668</u>
Total Liabilities and Fund Balance	<u>\$ 20,453</u>	<u>\$ (2)</u>	<u>\$ 7,635</u>	<u>\$ 117,017</u>	<u>\$ 27,222</u>	<u>\$ 294,504</u>

Eastern Oklahoma Development District
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2021

	<u>EDA</u>	<u>State Approp</u>	<u>CIP</u>	<u>CENA</u>	<u>Masonic</u>	<u>AAA Donation/ MMOG Admin</u>
Revenues						
Federal grants	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ 8,400
State grants and appropriations	-	6,818	66,350	182,818	79,072	-
Local charges and services	-	-	-	-	-	-
Members' dues and assessments	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Match revenue	-	(6,818)	-	-	-	-
Total revenues	<u>70,000</u>	<u>-</u>	<u>66,350</u>	<u>182,818</u>	<u>79,072</u>	<u>8,400</u>
Expenses						
Salaries	57,108	-	16,615	6,282	-	-
Contract labor	-	-	-	-	-	-
Fringe benefits	16,326	-	6,250	2,277	-	-
Indirect costs	11,703	-	4,349	1,464	-	-
Travel	189	-	588	53	-	-
Other expenses	781	-	733	312	2,391	-
Respite	-	-	-	-	-	-
Pass-through grants	-	-	-	172,418	63,396	-
Total expenses	<u>86,107</u>	<u>-</u>	<u>28,535</u>	<u>182,806</u>	<u>65,787</u>	<u>-</u>
Net Change in Fund Balances	(16,107)	-	37,815	12	13,285	8,400
Fund Balances, <i>Beginning of Year</i>	-	-	-	-	-	-
Fund Balances, <i>End of Year</i>	<u>\$ (16,107)</u>	<u>\$ -</u>	<u>\$ 37,815</u>	<u>\$ 12</u>	<u>\$ 13,285</u>	<u>\$ 8,400</u>

Eastern Oklahoma Development District
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2021

	<u>MMOG</u>	<u>EDA Cares</u>	<u>Rural Fire</u>	<u>CDBG</u>	<u>Case Mgmt</u>	<u>Total Other Government Funds</u>
Revenues						
Federal grants	\$ 107,777	\$ 127,789	\$ -	\$ -	\$ -	\$ 313,966
State grants and appropriations	6,533	-	61,000	-	249,261	651,852
Local charges and services	-	-	-	76,470	-	76,470
Members' dues and assessments	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Match revenue	-	-	-	-	-	(6,818)
Total revenues	<u>114,310</u>	<u>127,789</u>	<u>61,000</u>	<u>76,470</u>	<u>249,261</u>	<u>1,035,470</u>
Expenses						
Salaries	-	68,006	39,375	23,610	984	211,980
Contract labor	-	-	-	-	204,845	204,845
Fringe benefits	-	23,544	14,673	7,202	1,088	71,360
Indirect costs	-	14,214	8,783	5,855	30,733	77,101
Travel	-	2,613	2,361	1,434	-	7,238
Other expenses	110,012	19,414	553	825	228	135,249
Respite	-	-	-	-	-	-
Pass-through grants	-	-	-	-	-	235,814
Total expenses	<u>110,012</u>	<u>127,791</u>	<u>65,745</u>	<u>38,926</u>	<u>237,878</u>	<u>943,587</u>
Net Change in Fund Balances	4,298	(2)	(4,745)	37,544	11,383	91,883
Fund Balances, Beginning of Year	-	-	-	79,473	5,312	84,785
Fund Balances, End of Year	<u>\$ 4,298</u>	<u>\$ (2)</u>	<u>\$ (4,745)</u>	<u>\$ 117,017</u>	<u>\$ 16,695</u>	<u>\$ 176,668</u>



**HINKLE &
COMPANY** PC
*Strategic
Business Advisors*

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

Board of Directors
Eastern Oklahoma Development District
Muskogee, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Eastern Oklahoma Development District (EODD), as of and for the year ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise EODD's basic financial statements, and have issued our report thereon dated February 27, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered EODD's internal control over financial reporting (internal control) as a basis for designing 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 EODD's internal control. Accordingly, we do not express an opinion on the effectiveness of EODD's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questions costs, we did identify a deficiency in internal control that we consider to be a significant deficiency. However, a material weakness may exist that have not been identified.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether EODD'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 financial statements. 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.

Purpose of this Report

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

Hike & Company, PC

Tulsa, Oklahoma
February 27, 2023





**HINKLE &
COMPANY**
Strategic PC
Business Advisors

Independent Auditor's Report on Compliance for Each Major Federal Program: Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Directors
Eastern Oklahoma Development District
Muskogee, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Eastern Oklahoma Development District's (EODD) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a material effect on each of EODD'S major federal award programs for the year ended June 30, 2022 and 2021. EODD'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 federal statutes, regulations, and the terms and conditions applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of EODD'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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance 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 EODD'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 EODD'S compliance.

Opinion on Each Major Federal Program

In our opinion, EODD complied, in all material respects, 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 June 30, 2022 and 2021.

Report on Internal Control Over Compliance

Management of EODD 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 EODD'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 the Uniform Guidance, 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 EODD'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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of EODD as of and for the year ended June 30, 2022 and 2021 and the related notes to the financial statements, which collectively comprise the EODD's basic financial statements. We issued our report thereon dated February 27, 2023, 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 the Uniform Guidance 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 auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Hick & Company, PC

Tulsa, Oklahoma
February 27, 2023



Eastern Oklahoma Development District
Schedule of Expenditures of Federal Awards
June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
FEDERAL PROGRAMS				
<u>U.S. Department of Health and Human Services</u>				
<i>Pass-Through the Oklahoma Department of Human Services</i>		56652		
Special Programs for the Aging				
Title VII	93.041		\$ -	\$ 6,515
Title III, Part B Grants for Supportive Services & Senior Centers	93.044		167,558	287,347
Title III, Part C-1 Nutrition Services	93.045		450,096	502,073
Title III, Part C-2 Nutrition Services	93.045		275,184	299,363
Title III, Part D Disease Prevention and Health Promotion Services	93.043		24,754	24,754
Title III, Part E Care Giver Support	93.052		182,363	200,026
Nutrition Services Incentive Program	93.053		86,993	86,993
Total Aging Cluster			<u>1,186,948</u>	<u>1,407,071</u>
 Total U.S. Department of Health and Human Services			 <u>1,186,948</u>	 <u>1,407,071</u>
<u>U.S. Department of Commerce</u>				
Economic Development Planning				
Assistance	11.301		-	111,666
Economic Development Cares Grant	11.307		-	140,625
Total U.S. Department of Commerce			<u>-</u>	<u>252,291</u>
			<u>\$ 1,186,948</u>	<u>\$ 1,659,362</u>

Eastern Oklahoma Development District
Notes to Schedule of Expenditures of Federal Awards
June 30, 2022 and 2021

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal awards activity of the Organization for the year ended June 30, 2022 and 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Organization.

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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
2. The Organization has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Eastern Oklahoma Development District
 Schedule of Findings and Questioned Costs
 June 30, 2022 and 2021

Summary of Auditor's Results

1. The opinion expressed in the independent auditor's report was:
 Unmodified Qualified Adverse Disclaimed

2. The independent auditor's report on internal control over financial reporting described:
 Significant deficiencies? Yes None Reported
 Material weaknesses? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit? Yes No

4. The independent auditor's report on internal control over compliance for major federal awards programs described:
 Significant deficiencies? Yes None Reported
 Material weakness? Yes No

5. The opinion expressed in the independent auditor's report for major federal awards was:
 Unmodified Qualified Adverse Disclaimed

6. The audit disclosed findings required to be reported by Uniform Guidance? Yes No

7. The Organization's major program was:

Cluster/Program	Federal Assistance Listing Number
Special Programs for the Aging - Title VII	93.041
Special Programs for the Aging - Title III, Part D	93.043
Special Programs for the Aging - Title III, Part B	93.044
Special Programs for the Aging - Title III, Part C	93.045
Special Programs for the Aging - Title III, Part E	93.052
Nutrition Services Incentive Program	93.053

Eastern Oklahoma Development District
Schedule of Findings and Questioned Costs
June 30, 2022 and 2021

Summary of Auditor's Results (Continued)

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$750,000.
9. The Organization qualified as a low-risk auditee as that term is defined in the Uniform Guidance. Yes No

Findings Required to be Reported by Government Auditing Standards

None.

Findings Required to be Reported in Accordance with the Uniform Guidance

None.

Eastern Oklahoma Development District
Summary Schedule of Prior Audit Findings
June 30, 2022 and 2021

Findings Required to be Reported by Government Auditing Standards

Finding 2021-001 - Internal Control Over Bank Reconciliation

Condition: The Organization did not properly perform monthly bank reconciliations for its cash accounts.

Cause of Condition: The Organization did not consistently perform monthly bank reconciliations.

Effect of Condition: Cash was overstated.

Recommendation: We recommend the Organization develop policies and procedures to ensure that the operating cash account is properly reconciled to the trial balance on a monthly basis.

Management Response: The Organization agrees with the condition and the recommendation. Subsequent to year end, the Organization booked the necessary adjusting journal entries to agree the trial balance to the adjusted June 30, 2021 bank reconciliation. Management plans to employ a third party to perform monthly reconciliations.

Status: Not repeated in the current year.

Findings Required to be Reported in Accordance with the Uniform Guidance

None.