

**Indian Nations Council of Governments**

**Financial Statements**  
with Independent Auditor's Report

**June 30, 2022**



**HINKLE &  
COMPANY**  
*Strategic* <sup>PC</sup>  
*Business Advisors*

# Indian Nations Council of Governments

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## Independent Auditor's Report

Board of Directors  
Indian Nations Council of Governments  
Tulsa, Oklahoma

### Report on the Audit of the Financial Statements

#### ***Opinion***

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 Indian Nations Council of Governments (the INCOG) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the INCOG'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 INCOG as of June 30, 2022, 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 INCOG 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***

INCOG'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 INCOG'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 INCOG'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 INCOG'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 and other analysis 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 INCOG's basic financial statements. The other supplementary information, schedule of expenditures of state awards, and 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 other supplementary information, schedule of expenditure of state awards, and 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2023, on our consideration of the INCOG'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 results 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 the INCOG's internal control over financial reporting and compliance.

*Hike & Company, PC*

Tulsa, Oklahoma  
February 10, 2023



## **Management's Discussion and Analysis**

# Indian Nations Council of Governments

## Management's Discussion and Analysis

June 30, 2022

The following discussion and analysis of Indian Nations Council of Governments' (INCOG) financial performance provides an overview of INCOG's financial activities for the year ended June 30, 2022. Please read it in conjunction with INCOG's financial statements.

### FINANCIAL HIGHLIGHTS

- ❖ The assets and deferred outflows of resources of Indian Nations Council of Governments were less than its liabilities and deferred inflows of resources at the close of the year by (\$2,485,236) (net position).
- ❖ As of the close of the current year the Indian Nations Council of Governments' governmental funds reported ending fund balance of \$4,169,728. Approximately \$3,372,501, an increase of \$272,375, is available for spending at the entity's discretion (unassigned fund balance).

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

This discussion and analysis of Indian Nations Council of Governments' annual audited financial statements is required by Governmental Accounting Standards Board (GASB), Statement No. 34. The intent of this discussion is to give management's view and analysis of significant financial activities affecting the government during the fiscal year, along with comparative analysis of the entity's financial activities from prior years.

#### Government-wide financial statements

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

#### The Statement of Net Position

The statement of net position presents information on all of Indian Nations Council of Governments' assets and liabilities, and deferred outflows and inflows, with the net reported as net position. You can think of INCOG's net position as one way to measure its financial health, or financial position. Over time, increases or decreases in the entity's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in Federal or State funding formulas, changes in law, and the health of local, state, and federal economies, to assess the overall health of INCOG.

#### The Statement of Activities

The statement of activities presents information showing how INCOG's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., accounts receivable and earned but unused vacation leave).

# Indian Nations Council of Governments

## Management's Discussion and Analysis

June 30, 2022

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

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

**Business-type activities** – Business-type activities normally include those activities which are funded predominantly by charges or fees to non-members (customers) for services and facilities to help cover all or a part of the cost of providing those services and maintaining facilities. INCOG does not have any business-type activities.

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Indian Nations Council of Governments, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with funding restrictions and other legal requirements. All of the funds of the Indian Nations Council of Governments can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

INCOG maintains numerous individual governmental funds; however, data from the various governmental funds are combined into a single, aggregated presentation. Information is presented for the combined funds in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Analysis of some significant individual fund data for these governmental funds is provided later in this report.

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

**Fiduciary funds**—Fiduciary funds are used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs.

**Indian Nations Council of Governments**  
Management's Discussion and Analysis  
June 30, 2022

**The Organization as a Whole**

**Net Position**

As noted earlier, net position may serve over time as a useful indicator of Indian Nations Council of Governments' financial position. For the year ended June 30, 2022, INCOG's net position decreased by (\$471,522). The decrease in net position was mainly due to increase MERP expense. The increase in MERP expense was driven by investment performance.

Current assets (see Table 1) contain \$1,334,335 of Rural Economic Action Plan funds which have been awarded, but for which projects are not yet completed. These funds are included in deferred revenues until they are expended. INCOG has recorded accrued liabilities for compensated absences (vacation leave) earned, as well as its net pension liability and OPEB obligations which are reflected in long-term liabilities.

**Table 1**  
**Indian Nations Council of Governments Net Position**  
**June 30, 2022 and 2021**

	Governmental Activities	
	2022	2021
Current assets	\$ 7,042,725	\$ 6,210,952
Capital and other	4,112,801	2,161,730
Total assets	11,155,526	8,372,682
Deferred outflows of resources	3,750,714	2,353,322
Current liabilities	3,894,269	3,401,730
Noncurrent liabilities	11,059,004	6,405,721
Total liabilities	14,953,273	9,807,451
Deferred inflows of resources	2,438,203	2,932,267
Net position:		
Net investment in capital assets	2,212,711	205,012
Restricted	921,284	1,038,595
Unrestricted	(5,619,231)	(3,257,321)
Total net position	\$ (2,485,236)	\$ (2,013,714)

# Indian Nations Council of Governments

## Management's Discussion and Analysis

June 30, 2022

### Governmental Activities

Total net position as of June 30, 2021, was (\$2,013,714). For the year ended June 30, 2022, net position decreased by (\$471,522). Table 2 illustrates the change in net position due to governmental activities. INCOG's three major governmental programs are displayed to provide additional detail for analysis.

The decrease in net position was mainly due to increased MERP expense. The increase in MERP expense was driven by investment performance and the amortization of a decrease in expected rate of return.

INCOG's Aging Services activities consist of several programs including Area Agency on Aging, CENA and MIPPA. During the current year, approximately \$50,605 of local funds were used to supplement the aging services programs. Federal aging grant funds of \$2,454,361 and state aging grant funds totaling \$1,585,660 were passed through to sub-recipients.

Transportation grants and contracts were used for planning projects and for pass-through to other entities for purchase of transportation equipment, vehicles and other associated costs. A total of \$290,157 in Federal grants were passed through to sub-recipients. Local funds totaling \$101,280 were used to supplement the transportation activities.

INCOG continues to maintain a revolving loan fund used for state energy projects. There were no new loans in FY 2022.

Community and economic development programs included projects administered by INCOG for member governments and REAP projects for which funds were passed-through to member entities. Local funds of \$107,898 were used to help supplement the costs of these projects and program activities.

**Table 2**  
**Indian Nations Council of Governments**  
**Governmental Activities**  
**June 30, 2022**

	Governmental Activities				
	Aging Services	Transportation	Community & Economic Dev.	All Other Governmental	Total
Program revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ 769,509	\$ 769,509
Grants/contributions	4,226,192	1,686,234	843,908	6,776,412	13,532,746
General revenue	50,605	336,775	171,117	(473,418)	85,079
Total revenues	<u>4,276,797</u>	<u>2,023,009</u>	<u>1,015,025</u>	<u>7,072,503</u>	<u>14,387,334</u>
Expenses:					
Program expenses	<u>4,276,797</u>	<u>2,023,009</u>	<u>1,015,025</u>	<u>7,544,025</u>	<u>14,858,856</u>
Total expenses	<u>4,276,797</u>	<u>2,023,009</u>	<u>1,015,025</u>	<u>7,544,025</u>	<u>14,858,856</u>
Changes in net position:					
Net increase or (decrease)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (471,522)</u>	<u>\$ (471,522)</u>

# Indian Nations Council of Governments

## Management's Discussion and Analysis

June 30, 2022

### Fund Balance

The *Statement of Revenues, Expenses, and Changes in Fund Balance—Governmental Funds* shows INCOG's total governmental fund balance increase \$399,918 since last year mainly due to Revolving Loan repayments along with savings from open positions and indirect expenses in the general fund.

### Capital asset information

As of June 30, 2022, INCOG had \$2,212,711 invested in capital assets, which is a net increase from the previous year's balance of \$205,012. Capital assets include furniture and equipment, computer equipment, and vehicles along with capital leases for building and equipment. Capital leases for building and equipment recognition is new for 2022 as per GASB 87.

**Table 3**  
**Indian Nations Council of Governments**  
**Capital Assets**  
**June 30, 2022 and 2021**  
(net of depreciation)

	Governmental Activities	
	2022	2021
Furniture and equipment	\$ 47,335	\$ 46,551
Computer equipment	112,574	117,069
Vehicles	30,849	41,392
Capital assets, net	<u>\$ 190,758</u>	<u>\$ 205,012</u>
Leased Assets		
Building	\$ 1,857,512	\$ -
Equipment	164,441	-
Capital leases, net	<u>\$ 2,021,953</u>	<u>\$ -</u>

### Economic factors and funding dependence

As noted previously in this discussion, the State and Federal programs influence INCOG's overall health. Revenue shortfalls and subsequent budget reductions could pose a risk to INCOG's various government funded grants and contracts. Management has tried to mitigate this risk by building an unassigned cash fund balance of \$2,901,413 and investing resources into strong local programs.

### Contacting INCOG's Financial Management

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

## **Basic Financial Statements**

# Indian Nations Council of Governments

## Statements of Net Position

June 30, 2022

	<u>2022</u>
	<u>Government Activities</u>
<b>Assets</b>	
Cash	\$ 5,119,993
Accounts receivable	1,762,956
Prepaid expenses	42,465
Notes Receivable	878,819
Due to other fund	1,138,582
Capital assets, net	<u>2,212,711</u>
Total Assets	<u>11,155,526</u>
<b>Deferred Outflows of Resources</b>	
Deferred amounts from pensions	3,685,393
Deferred amounts from OPEB	<u>65,321</u>
Total Deferred Outflows of Resources	<u>3,750,714</u>
<b>Liabilities</b>	
Accounts payable and accrued expense	1,367,506
Due from other fund	1,138,578
OPEB Obligation	193,256
Net pension liability	8,406,588
Deferred revenue	1,746,621
Leases payable	<u>2,100,724</u>
Total Liabilities	<u>14,953,273</u>
<b>Deferred Inflows of Resources</b>	
Deferred amounts to pensions	2,392,050
Deferred amounts to OPEB	<u>46,153</u>
Total Deferred Inflows of Resources	<u>2,438,203</u>
<b>Net Position</b>	
Net Investment in capital assets	2,212,711
Restricted for:	
Contractual	878,819
Nonexpendable	42,465
Unrestricted	<u>(5,619,231)</u>
Total Net Position	<u>\$ (2,485,236)</u>

**Indian Nations Council of Governments**  
Statement of Activities  
For the Year Ended June 30, 2022

	Program Revenues			Net Revenue (Expense) and Changes in Net Position			
	Program Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities	Business-Type Activities	Total
<b>Government activities</b>							
General government	\$ 2,526,124	\$ 769,509	\$ 3,956,800	\$ -	\$ 2,200,185	\$ -	\$ 2,200,185
Aging Services	4,276,797	-	4,226,192	-	(50,605)	-	(50,605)
Transportation Services	2,023,009	-	1,686,234	-	(336,775)	-	(336,775)
Rural Economic Action Plan	858,676	-	835,726	-	(22,950)	-	(22,950)
Community and Economic Development	156,349	-	8,182	-	(148,167)	-	(148,167)
Public Safety	527,829	-	-	-	(527,829)	-	(527,829)
Environmental and Energy	3,163,962	-	1,493,502	-	(1,670,460)	-	(1,670,460)
Total Government Activities	<u>13,532,746</u>	<u>769,509</u>	<u>12,206,636</u>	<u>-</u>	<u>(556,601)</u>	<u>-</u>	<u>(556,601)</u>
Total Activities	<u>\$ 13,532,746</u>	<u>\$ 769,509</u>	<u>\$ 12,206,636</u>	<u>\$ -</u>	<u>(556,601)</u>	<u>-</u>	<u>(556,601)</u>
			<b>General revenues:</b>				
			Membership Dues	60,089	-	60,089	
			Interest Income	24,990	-	24,990	
			Total general revenues	<u>85,079</u>	<u>-</u>	<u>85,079</u>	
			<b>Change in Net Position</b>	(471,522)	-	(471,522)	
			<b>Net Position - beginning of year</b>	<u>(2,013,714)</u>	<u>-</u>	<u>(2,013,714)</u>	
			<b>Net Position - ending of year</b>	<u>\$ (2,485,236)</u>	<u>\$ -</u>	<u>\$ (2,485,236)</u>	

**Indian Nations Council of Governments**  
 Governmental Funds Balance Sheet  
 June 30, 2022

	<b>General Funds</b>	<b>Clean Cities Fund</b>	<b>Aging Services Fund</b>	<b>Rural Economic Action Plan</b>	<b>Transportation Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>							
Cash	\$ 2,901,413	\$ 827,924	\$ 84,846	\$ 1,273,625	\$ 15,542	\$ 16,642	\$ 5,119,992
Accounts receivable	138,599	35,236	811,759	60,710	514,599	202,052	1,762,955
Prepaid expense	42,465	-	-	-	-	-	42,465
Due from Other Fund	930,331	4,301	123,828	-	57,375	22,743	1,138,578
Deposits	-	-	-	-	-	-	-
Total Assets	<u>4,012,808</u>	<u>867,461</u>	<u>1,020,433</u>	<u>1,334,335</u>	<u>587,516</u>	<u>241,437</u>	<u>8,063,990</u>
<b>Liabilities</b>							
Accounts payable and Accrued exp.	257,464	37,035	452,436	-	223,205	38,924	1,009,064
Due to other fund	81,426	36,137	483,151	3,224	348,769	185,871	1,138,578
Deferred revenue	258,952	39,527	84,846	1,331,111	15,542	16,642	1,746,620
Total Liabilities	<u>597,842</u>	<u>112,699</u>	<u>1,020,433</u>	<u>1,334,335</u>	<u>587,516</u>	<u>241,437</u>	<u>3,894,262</u>
<b>Fund Balance</b>							
Nonspendable	42,465	-	-	-	-	-	42,465
Restricted	-	754,762	-	-	-	-	754,762
Assigned	-	-	-	-	-	-	-
Unassigned	3,372,501	-	-	-	-	-	3,372,501
Total Fund Balance	<u>3,414,966</u>	<u>754,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,169,728</u>
Total Liabilities and Fund Balance	<u>\$ 4,012,808</u>	<u>\$ 867,461</u>	<u>\$ 1,020,433</u>	<u>\$ 1,334,335</u>	<u>\$ 587,516</u>	<u>\$ 241,437</u>	<u>\$ 8,063,990</u>

See Notes to Financial Statements.

**Indian Nations Council of Governments**  
Governmental Funds Statement of Revenues, Expenditures and  
Changes in Fund Balances  
For the Year Ended June 30, 2022

	<b>General Funds</b>	<b>Clean Cities Fund</b>	<b>Aging Services Fund</b>	<b>Rural Economic Action Plan</b>	<b>Transportation Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>							
Federal grants	\$ -	\$ 258,175	\$ 2,454,361	\$ -	\$ 1,584,954	\$ 300,236	\$ 4,597,726
State grants and appropriations	33,131	-	1,585,660	835,726	-	156,674	2,611,191
Local charges and services	3,885,009	69,968	186,171	-	101,280	833,943	5,076,371
Members' dues and Assessments	769,509	-	-	-	-	60,089	829,598
Interest revenue	14,759	10,232	-	-	-	-	24,991
Match revenue	(2,690,397)	73,722	50,605	22,949	336,775	2,206,346	-
<b>Total Revenues</b>	<u>2,012,011</u>	<u>412,097</u>	<u>4,276,797</u>	<u>858,675</u>	<u>2,023,009</u>	<u>3,557,288</u>	<u>13,139,877</u>
<b>Expenses</b>							
Salaries	704,784	93,701	254,539	30,255	649,267	1,503,706	3,236,252
Fringe benefits	420,682	56,220	152,722	18,153	389,556	862,464	1,899,797
Indirect costs	210,285	38,994	105,929	12,591	270,198	619,479	1,257,476
Travel	848	-	9,425	-	6,968	18,866	36,107
Other expense	229,133	8,340	19,000	637	164,648	234,595	656,353
Program costs	94,378	87,299	14,159	-	395,682	318,178	909,696
Pass-through grants	-	-	3,721,023	797,039	146,690	-	4,664,752
Capital Outlays	79,526	-	-	-	-	-	79,526
<b>Total Expenses</b>	<u>1,739,636</u>	<u>284,554</u>	<u>4,276,797</u>	<u>858,675</u>	<u>2,023,009</u>	<u>3,557,288</u>	<u>12,739,959</u>
<b>Net Change in Fund Balances</b>	272,375	127,543	-	-	-	-	399,918
Principal received on notes receivable	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	<u>3,142,591</u>	<u>627,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,769,810</u>
Fund Balances, End of Year	<u>\$ 3,414,966</u>	<u>\$ 754,762</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,169,728</u>

See Notes to Financial Statements.

**Indian Nations Council of Governments**  
 Reconciliation of Governmental Funds and  
 Government-wide Financial Statements  
 For the Year Ended June 30, 2022

**Reconciliation of the Government Funds Balance**

**Sheet to the Statement of Net Assets**

Total fund balances - governmental funds	\$ 4,169,728
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Assets are different because:	
Notes receivable	878,819
Capital assets, net of accumulated depreciation	2,212,711
Pension related deferred outflows	3,685,393
OPEB related deferred outflows	65,321
<b>Liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the funds.</b>	
Accrued vacation	(358,437)
Leases payable	(2,100,724)
Net pension liability	(8,406,588)
OPEB Obligation liability	(193,256)
Pension related deferred inflows	(2,392,050)
OPEB related deferred inflows	(46,153)
Net assets of governmental activities	<u>\$ (2,485,236)</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	\$ 399,918
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	43,058
Depreciation and amortization expense	(354,278)
Capital asset disposition, net	-
Notes receivable expenditures in the fund financial statements are reported as long-term assets in the statement of net position	
Loan receivable, net change	(117,311)
Some expense in the statement of activities do not require the use of current financial resources and, therefore, are not reported in government funds	
Accrued vacation, net change	3,828
Lease payments	218,194
OPEB obligation, net change	38,659
Pension related expenses, net change	(703,590)
Change in Net Assets - governmental activities	<u>\$ (471,522)</u>

**Indian Nations Council of Governments**  
Statements of Net Position  
Fiduciary Funds - E911  
June 30, 2022

	<b>2022</b>
<b>Assets</b>	
Cash	\$ 29,509
Accounts receivable	135,646
Prepaid expenses	10,419
Total Assets	<u>175,574</u>
<b>Liabilities</b>	
Accounts payable	<u>175,574</u>
Total Liabilities	<u>175,574</u>
<b>Total Net Position</b>	<u>\$ -</u>

# Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2022

## Note 1: Summary of Significant Accounting Policies

### **Reporting Entity**

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

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

### **Measurement Focus and Basis of Accounting**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, INCOG considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and expenditures related to compensated absences are recorded only when payment is due.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement Plan (MERP) and additions to/deductions from MERP's fiduciary net position have been determined on the same basis as they are reported by MERP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

# Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2022

## **Note 1: Summary of Significant Accounting Policies (Continued)**

### **Measurement Focus and Basis of Accounting** (Continued)

INCOG reports the following major governmental funds:

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

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

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

*SSEP Revolving Loan Fund* - The SSEP Revolving Loan Fund includes the grant received to establish a state energy plan revolving loan fund.

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

*Clean Cities Fund* - The Clean Cities Fund reports activities related to grants from the U.S. Department of Energy, which provides funds for environmental and conservation improvements. Included in this fund is the grant received to establish a state energy plan revolving loan fund.

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts recorded as program revenues include 1) charges to customers or applicants for services provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all interest.

When both restricted and unrestricted resources are available for use, it is INCOG's policy to use restricted resources first, then unrestricted resources as they are needed.

# Indian Nations Council of Governments

## Notes to Financial Statements

June 30, 2022

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Government-wide and Fund Financial Statements**

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

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

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

#### **Deposits and Investments**

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

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

#### **Accounts Receivable and Other Receivables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. INCOG had no interfund borrowing outstanding at June 30, 2022.

#### **Prepaid Items**

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

# Indian Nations Council of Governments

## Notes to Financial Statements

June 30, 2022

### Note 1: Summary of Significant Accounting Policies (Continued)

#### Capital Assets

Capital assets, which include furniture and equipment, computer equipment, and vehicles, are reported in the government-wide financial statements. Capital assets are defined by INCOG as assets with an initial, individual cost of \$2,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and equipment	3-10
Computer equipment	2-7
Vehicles	4-5

Lease assets are amortized over the life of the associated contracts.

#### Compensated Absences

Full-time employees earn vacation of 14 to 25 days per year depending on years of service completed. The maximum amount of vacation leave is twice the amount an employee is eligible to accrue in a calendar year. Unused personal leave that accrued after July 1, 2001 or later may be converted to vacation leave at the end of the fiscal year in which it accrued, (after 60 days of personal leave has been accrued) on a day-for-day basis.

Full-time employees are granted personal leave of 12 days per year. Unused personal leave may be carried over to the following year so long as it does not exceed 150 days. Upon separation, no compensation is provided for such accrued personal leave.

#### Long-Term Obligations

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

#### Deferred Inflows/Outflows of Resources

The financial statements may contain separate sections, in addition to assets, liabilities, and net position, for deferred outflows of resources or deferred inflows of resources. These separate elements represent a consumption (deferred outflow) or acquisition (deferred inflow) of net position that applies to a future period and will not be recognized as an outflow or inflow of resources until that time.

# Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2022

## Note 1: Summary of Significant Accounting Policies (Continued)

### Fund Balances and Net Position

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

*Nonspendable* - Includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

*Restricted* - Consists of fund balance with constraints placed on the use of resources either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) laws through constitutional provisions or enabling legislation.

*Committed* - Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the entity's highest level of decision-making at INCOG.

*Assigned* - Includes amounts that are constrained by the entity's intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by board action or management decision when the board has designated that agency.

*Unassigned* - Represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

INCOG does not have a formal minimum fund balance policy.

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

*Net Position* - Net position are displayed in three components as follows:

*Net Investment in Capital Assets* - Consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any debt or other borrowings that are attributable to the acquisition, construction, or improvement of the assets.

*Restricted* - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

*Unrestricted* - All other net position that does not meet the definitions of "net investment in capital assets" or "restricted".

# Indian Nations Council of Governments

## Notes to Financial Statements

June 30, 2022

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Fund Balances and Net Position** (Continued)

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

#### **Allocation of Employee Benefits and Indirect Costs**

INCOG's employee benefits and indirect costs are allocated based upon actual expenditures to all grants in accordance with 2 CFR Part 225 (formerly OMB Circular A-87). Employee benefits are allocated to grant and other projects as a percentage of direct labor costs. Indirect costs necessary to sustain overall operations are allocated as a percentage of total direct labor costs charged to grants and other projects.

#### **Accounting Pronouncements Adopted in Fiscal Year 2022**

INCOG adopted the following new accounting pronouncement during the year ended June 30, 2022:

##### ***GASB Statement No. 87, Leases***

GASB No 87 was issued June 2017, and the objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. INCOG adopted GASB 87 for the June 30, 2022, reporting year and the implementation had an immaterial effect net on the INCOG's financials.

# Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2022

## **Note 1: Summary of Significant Accounting Policies (Continued)**

### **Subsequent Events**

Management has evaluated subsequent events through February 10, 2023, the date which the financial statements were available to be issued.

## **Note 2: Deposits and Investments**

### ***Deposits***

INCOG's carrying amount of deposits was \$5,149,502 as of June 30, 2022, and the bank balances totaled \$5,278,980. Deposits are carried at cost.

### ***Custodial Credit Risk - Deposits***

Custodial credit risk is the risk that in the event of a bank failure, INCOG's deposits may not be returned to it. INCOG does not have a deposit policy for custodial credit risk. As of June 30, 2022, all of INCOG's bank balances of \$5,278,970, were FDIC insured or collateralized by pledges from the banks.

### ***Investments***

INCOG had no investments as of June 30, 2022.

### ***Interest Rate Risk***

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

### ***Credit Risk***

State statutes limit investments to the following: a) direct obligations of the U.S. Government, its agencies or instrumentalities; b) collateralized or insured certificates of deposit within the state, and insured certificates only if out of state; c) savings accounts or savings certificates; d) fully collateralized prime banker acceptances, prime commercial paper, repurchase agreements, or SEC regulated money market funds; e) obligations to the payment of which the full faith and credit of the state is pledged; f) county, municipal, or school district ad valorem tax funded debt; g) bonds, notes, or money judgments of a county, municipality, or school district; h) revenue anticipation notes of a public trust of which the municipality is beneficiary; or; i) any bond, note, or other debt of any public trust of which the municipality is sole beneficiary, or other entities whose governing boards were appointed by the municipality. INCOG has no investment policy that would further limit its investment choices.

# Indian Nations Council of Governments

## Notes to Financial Statements

June 30, 2022

### Note 3: Receivables

#### *Accounts Receivable*

Receivables as of June 30, 2022, for the INCOG's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	AAA	Transportation Planning	REAP	Nonmajor Government Funds	Total
Accounts Due from other governments	\$ 138,599	\$ 811,759	\$ 514,599	\$ 60,710	\$ 237,288	\$ 1,762,955
Less: allowance for uncollectibles	-	-	-	-	-	-
Net total receivables	<u>\$ 138,599</u>	<u>\$ 811,759</u>	<u>\$ 514,599</u>	<u>\$ 60,710</u>	<u>\$ 237,288</u>	<u>\$ 1,762,955</u>

#### *Note Receivable*

INCOG also had a note receivable as of June 30, 2022 related to the SSEP Revolving Loan Program as follows:

The note receivable is due from Tulsa County and is dated October 1, 2014. The amounts of \$878,819 were due as of June 30, 2022 and payable annually over 15 years with interest at 1.00%.

Note receivable balances and activity for the year ended June 30, 2022 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Note Receivables	\$ 996,130	\$ -	\$ (117,311)	\$ 878,819
Total	<u>\$ 996,130</u>	<u>\$ -</u>	<u>\$ (117,311)</u>	<u>\$ 878,819</u>

# Indian Nations Council of Governments

## Notes to Financial Statements

June 30, 2022

### Note 4: Capital Assets

Capital asset balances and activities for the year ended June 30, 2022, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets, being depreciated				
Equipment & furniture	\$ 151,081	12,789	(25,350)	\$ 138,520
Computer equipment & software	477,871	30,269	(81,270)	426,870
Vehicles	158,760	-	-	158,760
Total capital assets, being depreciated	<u>787,712</u>	<u>43,058</u>	<u>(106,620)</u>	<u>724,150</u>
Less accumulated depreciation for:				
Equipment & furniture	(104,530)	(12,005)	25,350	(91,185)
Computer equipment & software	(360,802)	(34,764)	81,270	(314,296)
Vehicles	(117,368)	(10,543)	-	(127,911)
Total accumulated depreciation	<u>(582,700)</u>	<u>(57,312)</u>	<u>106,620</u>	<u>(533,392)</u>
 Total capital assets being depreciated, net	 <u>205,012</u>	 <u>(14,254)</u>	 <u>-</u>	 <u>190,758</u>
 Lease Assets Being Amortized:				
Building	-	2,130,987	-	2,130,987
Equipment	-	187,932	-	187,932
Total lease assets, being amortized	<u>-</u>	<u>2,318,919</u>	<u>-</u>	<u>2,318,919</u>
Less accumulated depreciation for:				
Building	-	(273,475)	-	(273,475)
Equipment	-	(23,491)	-	(23,491)
Total accumulated amortization	<u>-</u>	<u>(296,966)</u>	<u>-</u>	<u>(296,966)</u>
 Total lease assets being amortized, net	 <u>-</u>	 <u>2,021,953</u>	 <u>-</u>	 <u>2,021,953</u>
 Governmental activities capital assets, net	 <u>\$ 205,012</u>	 <u>\$ 2,007,699</u>	 <u>\$ -</u>	 <u>\$ 2,212,711</u>

# Indian Nations Council of Governments

## Notes to Financial Statements

June 30, 2022

### Note 4: Capital Assets (Continued)

Depreciation expense for the years ended June 30, 2022 was charged to functions/programs of the primary government as follows:

	<u>2022</u>
Governmental activities	
General government	<u>\$ 354,278</u>
Total depreciation and amortization expense - governmental activities	<u><u>\$ 354,278</u></u>

### Note 5: Unearned Revenue

Unearned revenues represent advances on grants or contracts which have not been expended. Unearned revenues for the years ended June 30, 2022 totaled \$1,746,621 and included the following:

	<u>2022</u>
REAP funds:	
2019 REAP funds	\$ 57,039
2020 REAP funds	266,388
2021 REAP funds	385,958
2022 REAP funds	<u>621,727</u>
Total REAP funds	1,331,112
Community development	384,381
Energy revolving loan fund	<u>31,128</u>
Total deferred revenue	<u><u>\$ 1,746,621</u></u>

# Indian Nations Council of Governments

## Notes to Financial Statements

June 30, 2022

### Note 6: Retirement Plans

**Plan description** - Employees of the INCOG are provided with pensions through the Municipal Employee Retirement Plan (MERP) - a cost-sharing multiple-employer defined benefit pension plan administered by the City of Tulsa (City). MERP provides retirement, disability and death benefits which are established by City ordinance to plan members and beneficiaries. MERP's financial statements and required supplementary information are included in the City of Tulsa's Annual Comprehensive Financial Report (ACFR). The report may be obtained by writing to the City of Tulsa Controller, 175 E. 2nd Street, Tulsa, Oklahoma 74103.

**Benefits provided** - The Plan provides retirement, disability, and death benefits. Retirement benefits are determined based on the employee's highest 30 months of salary during the last five-years of service and a multiplier, based on the years of service. Employees entering the plan prior to July 1, 2018 are eligible for full retirement at age 65, and at least 5 years of service, or when the years of service plus the employee's age equals or exceeds 80. Reduced benefits are available after age 55 and 5 years of service (Early retirement). Benefits for Early retirement are reduced 2.5% per year prior to age 65. Employees entering the plan on or after July 1, 2018 are eligible for full retirement at age 65, and at least 5 years of service, or when the years of service plus the employee's age equals or exceeds 90. Reduced benefits are available after age 60 and 5 years of service (Early retirement). Benefits for Early retirement are reduced 6.0% per year prior to age 65. Five years of service is required for nonservice related disability eligibility. Disability benefits are determined in the same manner as normal retirement. Death benefits for vested participants are, at the spouse's election, a refund of contribution plus interest or a life annuity of 50% of the member's accrued benefit determined based on final average earnings and service as of the date of death.

**Contributions** - Contributions are set per the City of Tulsa ordinance. Employees are required to contribute 7.5 percent of their pensionable wages for the year ended June 30, 2022. INCOG is required to contribute 16.5 percent of pensionable wages for the year ended June 30, 2022.

INCOG is also responsible for Actuarially Determined Employer Contributions (ADEC) that exceeds the 15.5 percent of pensionable wages. Actual contributions to the pension plan from INCOG were \$697,946 for the years ended June 30, 2022.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2022, INCOG reported a liability of \$8,406,588, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. Standard update procedures were used to roll forward the total pension liability to June 30, 2022. INCOG's proportion of the net pension liability was based on a projection of INCOG's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At June 30, 2022, INCOG's proportion was 3.1275%, which was an increase of 0.0574% from its proportion measured as of June 30, 2021.

# Indian Nations Council of Governments

## Notes to Financial Statements

June 30, 2022

**Note 6: Retirement Plans** (Continued)

INCOG recognized pension expense of \$703,590 for the year ended June 30, 2022. At June 30, 2022, INCOG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>2022</b>	
	Deferred Outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ 189,021	\$ 11,223
Changes of assumptions	565,137	224,947
Net difference between projected and actual earnings on pension plan investments	2,626,204	2,059,187
Changes in proportion and differences between INCOG's contributions and proportionate share of contributions	305,031	96,693
INCOG's contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 3,685,393</b>	<b>\$ 2,392,050</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Year ended June 30:</u></b>	
2023	\$ 390,295
2024	239,033
2025	(119,850)
2026	575,527
<b>Total</b>	<b>\$ 1,085,005</b>

# Indian Nations Council of Governments

## Notes to Financial Statements

June 30, 2022

### Note 6: Retirement Plans (Continued)

**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, which was rolled forward from the valuation date using generally accepted actuarial principals and methods, to the Plans measurement date of June 30, 2022.

- Investment rate of return - 6.75% compounded annually, net of investment expense and including inflation.
- Projected salary increases - 3.50%-9.5% (Includes inflation at 2.50%).

Mortality rates were based Pub-2010 General Employee Motility Table projected with the ultimate rates of scale MP-2020 from the year 2010.

The actuarial assumptions used in the January 1, 2022, valuations were based on the results of an actuarial experience study for the five-year period ending December 31, 2020.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Following is the Plan's asset allocation policy as of June 30, 2022, and the long-term expected geometric real rate of return for each major asset class:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	20.0%	2.75%
Domestic Equity	36.0%	6.00%
International Equity	24.0%	4.50%
Real Estate	12.0%	5.25%
Commodities and Timber	7.0%	4.50%
Cash	1.0%	0.50%
Total	<u>100.0%</u>	

# Indian Nations Council of Governments

## Notes to Financial Statements

June 30, 2022

### Note 6: Retirement Plan (Continued)

**Discount Rate** - The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from INCOG will be made as specified in the MERP funding policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents INCOG's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what INCOG's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Employers' net pension liability	\$ 11,411,908	\$ 8,406,588	\$ 5,891,268

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the City of Tulsa's Comprehensive Annual Financial Report; which can be located at [www.cityoftulsa.org](http://www.cityoftulsa.org).

### Note 7: Other Post-Employment Benefits

#### General Information about the OPEB Plan

**Plan Description** - INCOG provides postemployment health care benefits for retired employees and their dependents through participation in the City of Tulsa Postretirement Medical Plan (the Plan), a multiple-employer defined benefit health care plan. The benefits, coverage levels, employee contributions, and employer contributions are governed by the City through its personnel and union contracts and are funded on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a stand-alone financial report.

# Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2022

## **Note 7: Other Post-Employment Benefits (Continued)**

**Benefits Provided** - All health care benefits are provided through the City's fully insured health plan. The benefit levels are the same as those offered to active employees. Benefits include general inpatient and outpatient medical services and prescriptions. General employees are eligible for membership in the plan if they retire from the City on or after age 55 with 5 years of service or with age and service totaling 80 points. Coverage ceases upon eligibility of the member (retiree or dependent) for Medicare. Coverage for dependents can continue upon the death of the retiree. Spouses of employees eligible for benefits and who die in active service can receive coverage.

**Contributions** - Contribution rates are set by the City. Retiree plan participants pay the entire amount of the premium charged by the insurer for coverage thus the City does not directly contribute to the Plan. Retiree and active employee participants are included in the same cost pool used to determine rates set by the insurer. An implicit subsidy results from this method of rate setting.

### **OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

At June 30, 2022, INCOG reported a liability of \$193,256 for its proportionate share of the OPEB liability. The total OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022. INCOG's proportion of the total OPEB liability was based on INCOG's share of active employee participants relative to the active employees of all participating employers. At June 30, 2022, INCOG's proportion was 3.3821%.

# Indian Nations Council of Governments

## Notes to Financial Statements

June 30, 2022

**Note 7: Other Post-Employment Benefits** (Continued)

For the year ended June 30, 2022, INCOG recognized OPEB benefits of \$38,659. At June 30, 2022, INCOG reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>2022</b>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,365	\$ 20,601
Changes of assumptions	14,289	21,600
Changes in proportion and differences between INCOG's contributions and proportionate share of contributions	20,667	3,952
Total	\$ 65,321	\$ 46,153

Amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in INCOG's OPEB expense over the average remaining service lives of plan participants (active and retirees) as follows:

<b><u>Year ended June 30:</u></b>	
2023	\$ 13,159
2024	10,975
2025	8,697
2026	9,963
2027	(1,337)
Total	\$ 41,457

# Indian Nations Council of Governments

## Notes to Financial Statements

June 30, 2022

### Note 7: Other Post-Employment Benefits (Continued)

**Actuarial assumptions** - The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement. The assumptions remain consistent with 2019.

- Inflation - 3% per year
- Salary Increase - Sample merit and longevity increases excluding 3.00% inflation and 1.00% productivity are between 0.00% and 7.75% based on years of service and the City's experience study completed in 2016.

**Actuarial Vacation Date** - July 1, 2020, with results actuarially projected on a "no gain / no loss" basis to get to the June 30, 2022, measurement date. Liabilities as of July 1, 2020, are based on an actuarial valuation date of July 1, 2020, with no adjustments.

**Discount Rate** - The OPEB plan is financed on a pay-as-you-go basis, thus a long-term rate of return was not used. The discount rate used to measure the total OPEB liability was 4.09 percent as of June 30, 2022, based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**Sensitivity of the INCOG's proportionate share of the total OPEB liability to changes in the discount rate** -The following presents INCOG's proportionate share of the total OPEB liability calculated using the discount rate of 2.66 percent, as well as what INCOG's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66 percent) or 1-percentage-point higher (3.66 percent) than the current rate:

	<b>1% Decrease (3.09%)</b>	<b>Current Discount Rate (4.09%)</b>	<b>1% Increase (5.09%)</b>
Employers' net OPEB liability	\$ 209,456	\$ 193,256	\$ 178,540

# Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2022

## Note 7: Other Post-Employment Benefits (Continued)

**Sensitivity of INCOG's proportionate share of the total OPEB liability to changes in the healthcare cost trend rate** - The following presents INCOG's proportionate share of the total OPEB liability calculated using the healthcare cost trend rate of 7.50 percent decreasing to 4.5 percent, as well as what INCOG's proportionate share of the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	<b>1% Decrease (6.50% decreasing to 3.50%)</b>	<b>Current Rate (7.50% decreasing to 4.50%)</b>	<b>1% Increase (8.50% decreasing to 5.50%)</b>
Employers' net OPEB liability	\$ 174,229	\$ 193,258	\$ 215,396

## Note 8: Non-Current Liabilities

Non-current liabilities at June 30, 2022 were as follows:

	<b>2022</b>
Governmental activities	
Compensated absences	\$ 358,436
Net pension liability	8,406,588
Net OPEB obligation	193,256
Lease payable	2,100,724
Total noncurrent liabilities for governmental activities	\$ 11,059,004

Non-current liability transactions for the year ended June 30, 2022 were as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Governmental activities					
Compensated absences	\$ 362,263	\$ -	\$ (3,827)	\$ 358,436	\$ -
Lease payable	-	2,318,919	(218,195)	2,100,724	233,972
Net pension liability	7,753,246	653,342	-	8,406,588	-
Net OPEB obligation	272,039	-	(78,783)	193,256	-
Total governmental activities	\$ 8,387,548	\$ 2,972,261	\$ (300,805)	\$ 11,059,004	\$ 233,972

# Indian Nations Council of Governments

## Notes to Financial Statements

June 30, 2022

### Note 8: Non-Current Liabilities (Continued)

INCOG as a lessee, has entered into various lease agreement involving equipment and office space requiring monthly payment totaling \$31,419 per month.

Future minimum lease payments related to INCOG's obligations are as follows:

Year ending June 30,	Principal	Interest	Total Lease Payments
2023	\$ 233,972	\$ 142,306	\$ 376,278
2024	249,273	124,743	374,016
2025	289,469	105,264	394,733
2026	308,440	83,466	391,906
2027	316,430	61,346	377,776
Thereafter	703,139	52,413	755,552
	<u>\$ 2,100,723</u>	<u>\$ 569,538</u>	<u>\$ 2,670,261</u>

### Note 9: Risk Management

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

### Note 10: Commitments and Contingencies

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

## **Other Supplementary Information**

**Indian Nations Council of Governments**  
Combining Balance Sheets  
Nonmajor Governmental Funds  
June 30, 2022

	State Appropriation	Rural Fire Defense	EDA Planning	EDA Build Back Better	CDBG	Metropolitan Environmental Trust	All Other Non-Major Governmental Funds	Total Other Government Funds
<b>Assets</b>								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,642	\$ 16,642
Investments	-	-	-	-	-	-	-	-
Accounts receivable	682	-	4,308	4,559	108,811	38,338	45,354	202,052
Due from Other Fund	-	594	-	-	-	-	22,149	22,743
Prepaid Expenses	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<u>682</u>	<u>594</u>	<u>4,308</u>	<u>4,559</u>	<u>108,811</u>	<u>38,338</u>	<u>84,145</u>	<u>241,437</u>
<b>Liabilities</b>								
Accounts payable and Accrued exp.	54	594	3,000	3,006	616	333	31,321	38,924
Due to other fund	628	-	1,308	1,553	108,195	38,005	36,182	185,871
Unearned revenue	-	-	-	-	-	-	16,642	16,642
<b>Total Liabilities</b>	<u>682</u>	<u>594</u>	<u>4,308</u>	<u>4,559</u>	<u>108,811</u>	<u>38,338</u>	<u>84,145</u>	<u>241,437</u>
<b>Fund Balance</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 682</u>	<u>\$ 594</u>	<u>\$ 4,308</u>	<u>\$ 4,559</u>	<u>\$ 108,811</u>	<u>\$ 38,338</u>	<u>\$ 84,145</u>	<u>\$ 241,437</u>

**Indian Nations Council of Governments**  
Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2022

	State Appropriation	Rural Fire Defense	EDA Planning Grant	EDA Build Back Better	CDBG	Metropolitan Environmental Trust	All Other Non-Major Governmental Funds	Total Other Government Funds
<b>Revenues</b>								
Federal grants	\$ -	\$ -	\$ 59,926	\$ 24,276	\$ -	\$ -	\$ 216,034	\$ 300,236
State grants and appropriations	8,182	61,000	-	-	-	-	87,492	156,674
Local charges and services	-	-	-	-	290,084	447,549	96,310	833,943
Members' dues and Assessments	-	-	-	-	-	-	60,089	60,089
Interest revenue	-	-	-	-	-	-	-	-
Match revenue	148,167	47,526	59,926	-	84,151	103,983	1,762,593	2,206,346
<b>Total Revenues</b>	<u>156,349</u>	<u>108,526</u>	<u>119,852</u>	<u>24,276</u>	<u>374,235</u>	<u>551,532</u>	<u>2,222,518</u>	<u>3,557,288</u>
<b>Expenses</b>								
Salaries	73,043	50,658	55,968	9,393	181,381	256,085	877,178	1,503,706
Fringe benefits	43,826	30,394	-	5,636	108,828	153,649	520,131	862,464
Indirect costs	30,398	21,082	23,292	3,909	75,483	100,272	365,043	619,479
Travel	109	241	1,557	5,338	663	-	10,958	18,866
Other expense	8,973	6,151	39,035	-	280	37,262	142,894	234,595
Consultants/Contractual	-	-	-	-	7,600	4,264	306,314	318,178
Pass-through grants	-	-	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<u>156,349</u>	<u>108,526</u>	<u>119,852</u>	<u>24,276</u>	<u>374,235</u>	<u>551,532</u>	<u>2,222,518</u>	<u>3,557,288</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Indian Nations Council of Governments**  
Combining Balance Sheets  
Area Agency on Aging Funds  
June 30, 2022

	Title IIIB Administrative	Title IIIB Services	Title IIIC1	Title IIIC2	Title IIIE	Title VII	Services Morton Title IIIB	Cimarron Transit Title IIIB	Legal Aid Title IIIB
<b>Assets</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Accounts receivable	13,164	33,922	17,820	7,901	7,155	1,874	15,343	12,268	7,973
Due from Other Fund	-	-	-	-	-	-	-	-	684
Prepaid Expenses	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<u>13,164</u>	<u>33,922</u>	<u>17,820</u>	<u>7,901</u>	<u>7,155</u>	<u>1,874</u>	<u>15,343</u>	<u>12,268</u>	<u>8,657</u>
<b>Liabilities</b>									
Accounts payable and Accrued exp.	1,423	3,089	1,914	883	740	172	8,103	6,134	4,252
Due to other fund	11,741	30,834	15,907	7,018	6,417	1,702	7,241	6,134	4,405
Unearned revenue	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<u>13,164</u>	<u>33,923</u>	<u>17,821</u>	<u>7,901</u>	<u>7,157</u>	<u>1,874</u>	<u>15,344</u>	<u>12,268</u>	<u>8,657</u>
<b>Fund Balance</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 13,164</u>	<u>\$ 33,923</u>	<u>\$ 17,821</u>	<u>\$ 7,901</u>	<u>\$ 7,157</u>	<u>\$ 1,874</u>	<u>\$ 15,344</u>	<u>\$ 12,268</u>	<u>\$ 8,657</u>

**Indian Nations Council of Governments**  
Combining Balance Sheets  
Area Agency on Aging Funds  
June 30, 2022

	Oxford Health Care Title IIIB	Services Sodexo Title IIIB	Sodexo Title IIIC1	Osage County Title IIIC1	Sodexo Title IIIC2	Osage County Title IIIC2	Broken Arrow Nutrition Title IIIC2	Oxford Health Care Title IIIE
<b>Assets</b>								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Accounts receivable	73,653	10,698	104,032	50,281	188,755	79,358	4,883	85,067
Due from Other Fund	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Total Assets	<u>73,653</u>	<u>10,698</u>	<u>104,032</u>	<u>50,281</u>	<u>188,755</u>	<u>79,358</u>	<u>4,883</u>	<u>85,067</u>
<b>Liabilities</b>								
Accounts payable and Accrued exp.	47,926	8,044	75,493	25,265	-	37,476	2,442	61,636
Due to other fund	25,728	2,654	28,539	25,016	188,755	41,881	2,441	23,431
Unearned revenue	-	-	-	-	-	-	-	-
Total Liabilities	<u>73,654</u>	<u>10,698</u>	<u>104,032</u>	<u>50,281</u>	<u>188,755</u>	<u>79,357</u>	<u>4,883</u>	<u>85,067</u>
<b>Fund Balance</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 73,654</u>	<u>\$ 10,698</u>	<u>\$ 104,032</u>	<u>\$ 50,281</u>	<u>\$ 188,755</u>	<u>\$ 79,357</u>	<u>\$ 4,883</u>	<u>\$ 85,067</u>

**Indian Nations Council of Governments**  
Combining Balance Sheets  
Area Agency on Aging Funds  
June 30, 2022

	Michael Lundy Title IIIC1	Ability Resources Title IIID	Masonic	CENA	All Other AAA Funds	Total AAA Funds
<b>Assets</b>						
Cash	\$ -	\$ -	\$ 84,846	\$ -	\$ -	\$ 84,846
Investments	-	-	-	-	-	-
Accounts receivable	9,255	15,360	-	12,946	60,051	811,759
Due from Other Fund	-	-	11,542	-	111,602	123,828
Prepaid Expenses	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Total Assets	<u>9,255</u>	<u>15,360</u>	<u>96,388</u>	<u>12,946</u>	<u>171,653</u>	<u>1,020,433</u>
<b>Liabilities</b>						
Accounts payable and Accrued exp.	4,665	7,300	11,542	-	143,937	452,436
Due to other fund	4,591	8,059	-	12,946	27,711	483,151
Unearned revenue	-	-	84,846	-	-	84,846
Total Liabilities	<u>9,256</u>	<u>15,359</u>	<u>96,388</u>	<u>12,946</u>	<u>171,648</u>	<u>1,020,433</u>
<b>Fund Balance</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 9,256</u>	<u>\$ 15,359</u>	<u>\$ 96,388</u>	<u>\$ 12,946</u>	<u>\$ 171,648</u>	<u>\$ 1,020,433</u>

**Indian Nations Council of Governments**  
Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
Area Agency on Aging Funds  
For the Year Ended June 30, 2022

	Title IIIB Administrative	Title IIIB Services	Title IIIC1	Title IIIC2	Title IIIE	Title VII	USDA NSIP	Services Morton Title III	Cimarron Transit Title IIIB
<b>Revenues</b>									
Federal grants	\$ 42,465	\$ 160,077	\$ 60,775	\$ 27,383	\$ 23,208	\$ 9,959	\$ 105,215	\$ 73,927	\$ 77,863
State grants and appropriations	14,155	28,249	20,258	9,128	7,955	1,757	-	21,025	22,137
Local charges and services	-	-	-	-	-	-	-	-	-
Members' dues and Assessments	-	-	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-	-	-	-
Match revenue	10,797	17,482	13,358	8,051	6,096	945	-	-	-
Total Revenues	<u>67,417</u>	<u>205,808</u>	<u>94,391</u>	<u>44,562</u>	<u>37,259</u>	<u>12,661</u>	<u>105,215</u>	<u>94,952</u>	<u>100,000</u>
<b>Expenses</b>									
Salaries	30,689	93,952	43,019	20,318	16,652	5,802	-	-	-
Fringe benefits	18,308	56,641	25,702	12,149	9,951	3,507	-	-	-
Indirect costs	12,744	39,169	17,874	8,445	6,919	2,421	-	-	-
Travel	1,079	3,312	1,511	711	586	195	-	-	-
Other expense	2,313	6,895	3,213	1,512	1,942	409	-	-	-
Program costs	2,284	5,839	3,072	1,427	1,209	327	-	-	-
Pass-through grants	-	-	-	-	-	-	105,215	94,952	100,000
Capital Outlays	-	-	-	-	-	-	-	-	-
Total Expenses	<u>67,417</u>	<u>205,808</u>	<u>94,391</u>	<u>44,562</u>	<u>37,259</u>	<u>12,661</u>	<u>105,215</u>	<u>94,952</u>	<u>100,000</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Indian Nations Council of Governments**  
Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
Area Agency on Aging Funds  
For the Year Ended June 30, 2022

	Legal Aid Title IIIB	Oxford Health Care Title IIIB	Services Sodexo Title IIIB	Sodexo Title IIIC1	Osage County Title IIIC1	Sodexo Title IIIC2	Osage County Title IIIC2	Broken Arrow Nutrition Title IIIC2	Oxford Health Care Title IIIE
<b>Revenues</b>									
Federal grants	\$ 34,183	\$ 238,492	\$ 27,053	\$ 491,420	\$ 229,133	\$ 346,836	\$ 100,695	\$ 9,959	\$ 259,268
State grants and appropriations	9,721	67,826	7,694	85,104	39,681	673,385	195,501	19,336	156,963
Local charges and services	-	-	-	-	-	-	-	-	-
Members' dues and Assessments	-	-	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-	-	-	-
Match revenue	-	-	-	-	-	-	-	-	-
Total Revenues	<u>43,904</u>	<u>306,318</u>	<u>34,747</u>	<u>576,524</u>	<u>268,814</u>	<u>1,020,221</u>	<u>296,196</u>	<u>29,295</u>	<u>416,231</u>
<b>Expenses</b>									
Salaries	-	-	-	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-	-	-	-
Indirect costs	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-
Program costs	-	-	-	-	-	-	-	-	-
Pass-through grants	43,904	306,318	34,747	576,524	268,814	1,020,221	296,196	29,295	416,231
Capital Outlays	-	-	-	-	-	-	-	-	-
Total Expenses	<u>43,904</u>	<u>306,318</u>	<u>34,747</u>	<u>576,524</u>	<u>268,814</u>	<u>1,020,221</u>	<u>296,196</u>	<u>29,295</u>	<u>416,231</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Indian Nations Council of Governments**  
Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
Area Agency on Aging Funds  
For the Year Ended June 30, 2022

	Michael Lundy Title IIIC1	Ability Resources Title IIID	Masonic	CENA	All Other AAA Funds	Total AAA Funds
<b>Revenues</b>						
Federal grants	\$ 45,797	\$ 47,036	\$ -	\$ -	\$ 43,617	\$ 2,454,361
State grants and appropriations	7,931	20,685	-	155,847	21,322	1,585,660
Local charges and services	-	-	102,564	-	83,607	186,171
Members' dues and Assessments	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-
Match revenue	-	-	-	849	(6,973)	50,605
Total Revenues	<u>53,728</u>	<u>67,721</u>	<u>102,564</u>	<u>156,696</u>	<u>141,573</u>	<u>4,276,797</u>
<b>Expenses</b>						
Salaries	-	-	-	4,287	39,820	254,539
Fringe benefits	-	-	-	2,572	23,892	152,722
Indirect costs	-	-	-	1,784	16,573	105,929
Travel	-	-	-	-	2,031	9,425
Other expense	-	-	-	-	2,716	19,000
Program costs	-	-	-	-	1	14,159
Pass-through grants	53,728	67,721	102,564	148,053	56,540	3,721,023
Capital Outlays	-	-	-	-	-	-
Total Expenses	<u>53,728</u>	<u>67,721</u>	<u>102,564</u>	<u>156,696</u>	<u>141,573</u>	<u>4,276,797</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Indian Nations Council of Governments**  
Combining Balance Sheets  
Transportation Planning Funds  
June 30, 2022

	FTA Planning	FHWA Planning	FTA Alternative Analysis Peoria/ Peoria/ Riverside	Section 5310 FY15	Section 5310 FY19	Section 5310 FY21
<b>Assets</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Accounts receivable	223,448	197,492	-	-	9,073	155
Due from Other Fund	-	329	-	-	-	2,888
Prepaid Expenses	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
<b>Total Assets</b>	<u>223,448</u>	<u>197,821</u>	<u>-</u>	<u>-</u>	<u>9,073</u>	<u>3,043</u>
<b>Liabilities</b>						
Accounts payable and Accrued exp.	21,198	85,920	-	-	1,608	3,043
Due to other fund	202,250	111,901	-	-	7,465	-
Unearned revenue	-	-	-	-	-	-
<b>Total Liabilities</b>	<u>223,448</u>	<u>197,821</u>	<u>-</u>	<u>-</u>	<u>9,073</u>	<u>3,043</u>
<b>Fund Balance</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 223,448</u>	<u>\$ 197,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,073</u>	<u>\$ 3,043</u>

**Indian Nations Council of Governments**  
Combining Balance Sheets  
Transportation Planning Funds  
June 30, 2022

	<b>CMAQ Ozone Alert</b>	<b>Tulsa Bike/Pedestrian Safety</b>	<b>All Other Transportation Planning Funds</b>	<b>Total Transportation Planning Funds</b>
<b>Assets</b>				
Cash	\$ -	\$ -	\$ 15,542	\$ 15,542
Investments	-	-	-	-
Accounts receivable	16,444	-	67,987	514,599
Due from Other Fund	2,620	3,081	48,457	57,375
Prepaid Expenses	-	-	-	-
Deposits	-	-	-	-
<b>Total Assets</b>	<u>19,064</u>	<u>3,081</u>	<u>131,986</u>	<u>587,516</u>
<b>Liabilities</b>				
Accounts payable and Accrued exp.	19,064	3,081	89,291	223,205
Due to other fund	-	-	27,153	348,769
Unearned revenue	-	-	15,542	15,542
<b>Total Liabilities</b>	<u>19,064</u>	<u>3,081</u>	<u>131,986</u>	<u>587,516</u>
<b>Fund Balance</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 19,064</u>	<u>\$ 3,081</u>	<u>\$ 131,986</u>	<u>\$ 587,516</u>

**Indian Nations Council of Governments**  
Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
Transportation Planning Funds  
For the Year Ended June 30, 2022

	FTA Planning	FHWA Planning	FTA - Alternative Analysis Peoria/ Riverside	Section 5310 FY15	Section 5310 FY21
<b>Revenues</b>					
Federal grants	\$ 231,045	\$ 936,892	\$ -	\$ 29,045	\$ 3,491
State grants and appropriations	-	-	-	-	-
Local charges and services	-	-	33	-	-
Members' dues and Assessments	-	-	-	-	-
Interest revenue	-	-	-	-	-
Match revenue	57,563	254,828	(33)	-	-
Total Revenues	<u>288,608</u>	<u>1,191,720</u>	<u>-</u>	<u>29,045</u>	<u>3,491</u>
<b>Expenses</b>					
Salaries	119,448	484,092	-	-	-
Fringe benefits	71,667	290,452	-	-	-
Indirect costs	49,708	201,460	-	-	-
Travel	921	3,721	-	-	-
Other expense	6,496	88,583	-	-	-
Program costs	40,368	123,412	-	-	-
Pass-through grants	-	-	-	29,045	3,491
Capital Outlays	-	-	-	-	-
Total Expenses	<u>288,608</u>	<u>1,191,720</u>	<u>-</u>	<u>29,045</u>	<u>3,491</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Indian Nations Council of Governments**  
Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
Transportation Planning Funds  
June 30, 2022

	CMAQ Ozone Alert	Tulsa Bike/Pedestrian Safety	All Other Transportation Planning Funds	Total Transportation Planning Funds
<b>Revenues</b>				
Federal grants	\$ 166,594	\$ 72,073	\$ 145,814	\$ 1,584,954
State grants and appropriations	-	-	-	-
Local charges and services	17,106	-	84,141	101,280
Members' dues and Assessments	-	-	-	-
Interest revenue	-	-	-	-
Match revenue	(457)	20	24,854	336,775
Total Revenues	<u>183,243</u>	<u>72,093</u>	<u>254,809</u>	<u>2,023,009</u>
<b>Expenses</b>				
Salaries	-	-	45,727	649,267
Fringe benefits	-	-	27,437	389,556
Indirect costs	-	-	19,030	270,198
Travel	-	2,327	(1)	6,968
Other expense	68,243	1,321	5	164,648
Program costs	115,000	68,445	48,457	395,682
Pass-through grants	-	-	114,154	146,690
Capital Outlays	-	-	-	-
Total Expenses	<u>183,243</u>	<u>72,093</u>	<u>254,809</u>	<u>2,023,009</u>
<b>Net Change in Fund Balances</b>	-	-	-	-
Principal received on notes receivable	-	-	-	-
Change in OPEB Obligation	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Indian Nations Council of Governments**  
Combining Balance Sheets  
REAP Funds  
June 30, 2022

	2016 REAP	2017 REAP	2018 REAP	2019 REAP	2020 REAP	2021 REAP	2022 REAP	REAP Administration	Total REAP Funds
<b>Assets</b>									
Cash	\$ -	\$ -	\$ -	\$ 57,039	\$ 266,388	\$ 385,958	\$ 621,727	\$ (57,487)	\$ 1,273,625
Investments	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	60,710	60,710
Due from Other Fund	-	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
Total Assets	-	-	-	57,039	266,388	385,958	621,727	3,223	1,334,335
<b>Liabilities</b>									
Accounts payable and Accrued exp.	-	-	-	-	-	-	-	-	-
Due to other fund	-	-	-	-	-	-	-	3,224	3,224
Unearned revenue	-	-	-	57,039	266,388	385,958	621,727	(1)	1,331,111
Total Liabilities	-	-	-	57,039	266,388	385,958	621,727	3,223	1,334,335
<b>Fund Balance</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balance	-	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balance	\$ -	\$ -	\$ -	\$ 57,039	\$ 266,388	\$ 385,958	\$ 621,727	\$ 3,223	\$ 1,334,335

**Indian Nations Council of Governments**  
Combining Statements of Revenues, Expenditures and Changes in Fund Balances  
REAP Funds  
For the Year Ended June 30, 2022

<b>Revenues</b>	<b>2016 REAP</b>	<b>2017 REAP</b>	<b>2018 REAP</b>	<b>2019 REAP</b>	<b>2020 REAP</b>	<b>2021 REAP</b>	<b>2022 REAP</b>	<b>REAP Administration</b>	<b>Total REAP Funds</b>
State grants	\$ 8,413	\$ 102,476	\$ 15,354	\$ 25,875	\$ 136,680	\$ 224,348	\$ 283,893	\$ 38,687	\$ 835,726
Interest revenue	-	-	-	-	-	-	-	-	-
Match revenue	-	-	-	-	-	-	-	22,949	22,949
Total Revenues	<u>8,413</u>	<u>102,476</u>	<u>15,354</u>	<u>25,875</u>	<u>136,680</u>	<u>224,348</u>	<u>283,893</u>	<u>61,636</u>	<u>858,675</u>
<b>Expenses</b>									
Salaries	-	-	-	-	-	-	-	30,255	30,255
Fringe benefits	-	-	-	-	-	-	-	18,153	18,153
Indirect costs	-	-	-	-	-	-	-	12,591	12,591
Travel	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	637	637
Program costs	-	-	-	-	-	-	-	-	-
Pass-through grants	8,413	102,476	15,354	25,875	136,680	224,348	283,893	-	797,039
Capital Outlays	-	-	-	-	-	-	-	-	-
Total Expenses	<u>8,413</u>	<u>102,476</u>	<u>15,354</u>	<u>25,875</u>	<u>136,680</u>	<u>224,348</u>	<u>283,893</u>	<u>61,636</u>	<u>858,675</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>							
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>							

**Indian Nations Council of Governments**  
Combining Balance Sheets  
Clean Cities Funds  
June 30, 2022

<b>Assets</b>	<b>ODOC</b>	<b>EE &amp; RE</b>	<b>SSEP Revolving Loan</b>	<b>All Other Clean Cities Cities Funds</b>	<b>Total Clean Cities Funds</b>
Cash	\$ -	\$ -	\$ 819,525	\$ 8,399	\$ 827,924
Investments	-	-	-	-	-
Accounts receivable	11,779	18,125	-	5,332	35,236
Due from Other Fund	2,721	-	-	1,580	4,301
Prepaid Expenses	-	-	-	-	-
Total Assets	<u>14,500</u>	<u>18,125</u>	<u>819,525</u>	<u>15,311</u>	<u>867,461</u>
<b>Liabilities</b>					
Accounts payable and Accrued exp.	14,500	-	20,955	1,580	37,035
Due to other fund	-	18,125	12,680	5,332	36,137
Unearned revenue	-	-	31,128	8,399	39,527
Total Liabilities	<u>14,500</u>	<u>18,125</u>	<u>64,763</u>	<u>15,311</u>	<u>112,699</u>
<b>Fund Balance</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	754,762	-	754,762
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>754,762</u>	<u>-</u>	<u>754,762</u>
Total Liabilities and Fund Balance	<u>\$ 14,500</u>	<u>\$ 18,125</u>	<u>\$ 819,525</u>	<u>\$ 15,311</u>	<u>\$ 867,461</u>

**Indian Nations Council of Governments**  
Combining Statements of Revenues, Expenditures and Change in Fund Balances  
Clean Cities Funds  
For the Year Ended June 30, 2022

<b>Revenues</b>	<b>ODOC</b>	<b>EE &amp; RE</b>	<b>SSEP Revolving Loan Loan</b>	<b>All Other Clean Cities Funds</b>	<b>Total Clean Cities Funds</b>
Federal grants	\$ 38,774	\$ 98,125	\$ 121,276	\$ -	\$ 258,175
State grants and appropriations	-	-	-	-	-
Local charges and services	-	-	-	69,968	69,968
Members' dues and Assessments	-	-	-	-	-
Interest revenue	-	-	10,232	-	10,232
Match revenue	7,755	(37,137)	-	103,104	73,722
<b>Total Revenues</b>	<u>46,529</u>	<u>60,988</u>	<u>131,508</u>	<u>173,072</u>	<u>412,097</u>
<b>Expenses</b>					
Salaries	15,886	30,059	726	47,030	93,701
Fringe benefits	9,532	18,035	436	28,217	56,220
Indirect costs	6,611	12,509	302	19,572	38,994
Travel	-	-	-	-	-
Other expense	-	385	2,501	5,454	8,340
Contracts	14,500	-	-	72,799	87,299
Pass-through grants	-	-	-	-	-
Capital Outlays	-	-	-	-	-
<b>Total Expenses</b>	<u>46,529</u>	<u>60,988</u>	<u>3,965</u>	<u>173,072</u>	<u>284,554</u>
<b>Net Change in Fund Balances</b>	-	-	127,543	-	127,543
Principal received on notes receivable	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>627,219</u>	<u>-</u>	<u>627,219</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 754,762</u>	<u>\$ -</u>	<u>\$ 754,762</u>

# Indian Nations Council of Governments

## Schedule of Indirect Costs

June 30, 2022

	<b>Indirect Costs</b>
Indirect Salaries	\$ 473,030
Employee Benefits	283,816
Indirect Personnel Costs	<u>756,846</u>
Accounting & Audit	23,500
Contract Services	106,136
Rental of office space	10,949
Rental of office equipment	2,188
Travel	8,190
Luncheons & meeting	4,625
Training & Tuition	6,421
Depreciation & amortization	317,257
Consumable supplies	20,651
Insurance	37,153
Reproduction	14,560
Repair & Maint. Office Equipment	700
Automotive	3,966
Recruitment	2,530
Moving Expense	1,015
Telephone	38,110
Postage & freight	4,521
Publications	660
Dues	9,220
Interest Expense	146,228
Computer	1,884
Other	50
Total Indirect Costs	<u>\$ 1,517,360</u>

The actual indirect cost reimbursement rate would have been 29.34% for the year ended June 30, 2022, based upon final audited information.

## **Required Supplementary Information**

**Indian Nations Council of Governments**  
 Schedule of Proportionate Share of the Net Pension Liability - Last 10 Fiscal Years\*  
 For the Year Ended June 30, 2022

Year	INCOG's proportion of net pension liability	INCOG's proportionate share of net pension liability	INCOG's covered covered payroll	INCOG's proportionate share of net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of total pension liability
2022	3.1275%	\$ 8,406,588	\$ 3,232,425	260%	66.62%
2021	3.1849%	\$ 5,759,982	\$ 3,144,171	183%	76.92%
2020	3.0529%	\$ 7,753,246	\$ 3,087,706	251%	65.22%
2019	2.7368%	\$ 6,427,001	\$ 2,568,070	250%	66.91%
2018	2.5475%	\$ 5,001,269	\$ 2,279,456	219%	70.61%
2017	2.5703%	\$ 5,078,138	\$ 2,234,072	227%	69.39%
2016	2.6624%	\$ 5,759,109	\$ 2,326,576	248%	65.62%

\* Prior year information is not available.

**Indian Nations Council of Governments**  
Schedule of Pension Contributions - Last 10 Fiscal Years\*  
For the Year Ended June 30, 2022

Year	Contractually Required Contributions	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2022	\$ 697,946	\$ 697,946	\$ -	\$ 3,232,425	21.59%
2021	\$ 660,288	\$ 660,288	\$ -	\$ 3,144,171	21.00%
2020	\$ 615,646	\$ 615,646	\$ -	\$ 3,087,706	19.94%
2019	\$ 526,499	\$ 526,499	\$ -	\$ 2,568,070	20.50%
2018	\$ 469,018	\$ 469,018	\$ -	\$ 2,279,456	20.58%
2017	\$ 357,344	\$ 357,344	\$ -	\$ 2,234,072	16.00%
2016	\$ 352,115	\$ 352,115	\$ -	\$ 2,326,576	15.13%

\* Prior year information is not available.

## Indian Nations Council of Governments

Schedule of Proportionate Share of the Net OPEB Liability (Asset) - Last 10 Fiscal Years\*  
For the Year Ended June 30, 2022

Year	INCOG's proportion of total OPEB liability	INCOG's proportionate share of total OPEB Asset	INCOG's covered covered payroll	INCOG's proportionate share of total OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of total OPEB liability
2022	3.3821%	\$ 193,256	\$ 3,232,425	6.0%	0.00%
2021	3.4500%	\$ 283,475	\$ 3,144,171	9.0%	0.00%
2020	3.2857%	\$ 272,039	\$ 3,087,706	8.8%	0.00%
2019	3.2054%	\$ 196,588	\$ 2,568,070	7.7%	0.00%
2018	2.6037%	\$ 164,402	\$ 2,279,456	7.2%	0.00%
2017	2.4833%	\$ 139,913	\$ 2,234,072	6.3%	0.00%

\* Prior year information is not available.

**Indian Nations Council of Governments**  
 Schedule of OPEB Contributions - Last 10 Fiscal Years\*  
 For the Year Ended June 30, 2022

Year	Contractually Required Contributions	Actual Contributions	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2022	\$ 11,365	\$ 11,365	\$ -	\$ 3,232,425	0.35%
2021	\$ 15,258	\$ 15,258	\$ -	\$ 3,144,171	0.49%
2020	\$ 10,953	\$ 10,953	\$ -	\$ 3,087,706	0.35%
2019	\$ 14,879	\$ 14,879	\$ -	\$ 2,568,070	0.58%
2018	\$ 5,263	\$ 5,263	\$ -	\$ 2,279,456	0.20%
2017	\$ 30,649	\$ 30,649	\$ -	\$ 2,234,072	1.17%

\* Prior year information is not available.

## **Reports Required by Government Auditing Standards**



**HINKLE &  
COMPANY**  
Strategic PC  
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  
Indian Nations Council of Governments  
Tulsa, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Indian Nation Council of Governments (INCOG), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise INCOG's basic financial statements, and have issued our report thereon dated February 10, 2023.

**Internal Control over Financial Reporting**

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

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 INCOG'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 matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Hika & Company, PC*

Tulsa, Oklahoma  
February 10, 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  
Indian Nations Council of Governments  
Tulsa, Oklahoma

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

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

We have audited Indian Nations Council of Governments' compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the INCOG's major federal programs for the year ended June 30, 2022. The INCOG's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the INCOG complied, in all material respects, with the 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.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the INCOG and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the INCOG's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the INCOG' federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the INCOG's compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the INCOG's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 INCOG's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the INCOG's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the INCOG's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



**Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*Hick & Company, PC*

Tulsa, Oklahoma  
February 10, 2023



**Indian Nations Council of Governments**  
**Schedule of Federal Awards**  
**June 30, 2022**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	Subrecipient Expenditures
<b>FEDERAL PROGRAMS</b>				
<u>National Park Service, Department of the Interior</u>				
Pass-Through Program From: Oklahoma Historical Society	15.904	20-608	\$ 32,358	-
<u>U. S. Department of Transportation</u>				
Direct Program - Section 5310	20.513	OK-2017-011-00	29,045	29,045
		OK-2018-008-00	20,775	20,775
		OK-2019-006-00	29,538	29,538
		OK-2020-004-00	95,940	59,726
		OK-2021-006-00	3,491	3,491
		OK-2021-010-00	138,641	83,468
		OK-2022-002-00	60,000	60,000
<i>Subtotal Transit Services Program Cluster</i>			377,430	286,043
Pass-Through Program From: Oklahoma Department of Transportation Long Term Transportation Planning -	20.505	FTA5303-TP19(005)	231,045	-
	20.205	PL 0060 (044) IL	936,892	-
Congestion Mitigation-Air Quality (CMAQ)		CMAQ-272E(213)	166,594	-
		CMAQ-272E(209)	4,114	4,114
<i>Subtotal</i>			1,338,645	4,114
INCOG Pedestrian Bicyclist Safety Program <i>Subtotal</i>	20.600	PS-19-02-01-05	72,073	-
			1,410,718	4,114
Total U.S. Department of Transportation			1,788,148	290,157
<u>National Highway Traffic Safety Admin and National Telecommunication &amp; Information Admin</u>				
Pass-Through Program From: Oklahoma Dept. of Emergency Mgmt. and Homeland Security	20.616	F305203	27,163	-
<u>U. S Department of Energy</u>				
Direct Program - Clean Cities Outreach <i>Subtotal</i>	81.086	DE-EE0007455	98,125	-
			98,125	-

*Continued*

**Indian Nations Council of Governments**  
**Schedule of Federal Awards**  
**June 30, 2022**  
(Continued)

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	Subrecipient Expenditures
Pass-Through Program From:				
Oklahoma Department of Commerce - Revolving Loan (ARRA)	81.041	Beginning Balance	\$ 996,130	-
		Activity	(117,312)	-
		Ending Balance	878,818	-
		Revolving Loan Admin	1,465	-
State Energy Program	81.041	17557 SEP 19	38,774	-
<i>Subtotal</i>			<u>38,774</u>	<u>-</u>
Total U.S. Department of Energy			<u>21,052</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>				
Pass-Through Program From:				
Oklahoma Department of Human Services				
<i>Aging Cluster</i>				
Area Agency on Aging Title III Part B	93.044	45190005	656,392	453,850
Area Agency on Aging Title III Part C	93.045	45190005	1,312,052	1,223,894
Area Agency on Aging Title III NSIP	93.053		105,215	105,215
<i>Subtotal Aging Cluster</i>			<u>2,073,659</u>	<u>1,782,959</u>
<i>Other Programs</i>				
Area Agency on Aging Title III Part D	93.043	45190005	47,036	47,036
Area Agency on Aging Title III Part E	93.052	45190005	340,826	317,618
Area Agency on Aging Title VII	93.041	45190005	9,959	-
<i>Subtotal</i>			<u>397,821</u>	<u>364,654</u>
Medicare Improvements for Patients and Providers (MIPPA)	93.518	PA# 20009307	8,400	-
<i>Subtotal</i>			<u>8,400</u>	<u>-</u>
Money Follows the Person	93.048		11,700	-
<i>Subtotal</i>			<u>11,700</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>2,491,580</u>	<u>2,147,613</u>
<u>U.S. Department of Commerce</u>				
Direct Program -				
Title II, Section 203 Planning Assistance: Continuation Planning	11.302	ED20AUS3020012	59,926	-
Title II, Section 209 and 703 Public Works	11.307	ED20AUS3070082	144,813	-
	11.307	ED20AUS3070037	24,276	-
Total U.S. Department of Commerce			<u>229,015</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 4,589,316</u>	<u>\$ 2,437,770</u>

**Indian Nations Council of Governments**  
Notes to Schedule of Expenditures of Federal Awards  
June 30, 2022

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Indian Nations Council of Governments (the INCOG) for the year ended June 30, 2022. 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 INCOG's, it is not intended to and does not present the financial position, changes in net position, or cash flows of the INCOG.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Indirect Cost Rate**

The INCOG has elected not to use the 10 percent de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.



**Indian Nations Council of Governments**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022  
(Continued)

**Summary of Auditor's Results** (Continued)

7. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$750,000.
8. The INCOG 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 to report for the June 30, 2022 period.

**Findings Required to be Reported by the Uniform Guidance**

None to report for the June 30, 2022 period.

**Indian Nations Council of Governments**  
Summary Schedule of Prior Audit Findings  
June 30, 2022

**Findings Required to be Reported by Government Auditing Standards**

None to report for the June 30, 2021 period.

**Findings Required to be Reported by the Uniform Guidance**

None to report for the June 30, 2021 period.