

Indian Nations Council of Governments

Financial Statements
with Independent Auditor's Report

June 30, 2023



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

Indian Nations Council of Governments

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June 30, 2023

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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 (INCOG) as of and for the year ended June 30, 2023, 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, 2023, 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.

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 March 5, 2024, 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.

Hick & Company, PC

Tulsa, Oklahoma
March 5, 2024



Management's Discussion and Analysis

Indian Nations Council of Governments

Management's Discussion and Analysis

June 30, 2023

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, 2023. 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 (\$2,139,817) (net position).
- ❖ As of the close of the current year the Indian Nations Council of Governments' governmental funds reported ending fund balance of \$4,983,320. Approximately \$4,032,460, an increase of \$950,860, of which, \$659,959 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.

Indian Nations Council of Governments

Management's Discussion and Analysis

June 30, 2023

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).

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.

Indian Nations Council of Governments
Management's Discussion and Analysis
June 30, 2023

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.

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, 2023, INCOG's net position increased by \$354,419. The increase in net position was mainly due to a decrease in MERP expense. The decrease in MERP expense was driven by investment performance.

Current assets (see Table 1) contain \$ 2,955,655 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, 2023 and 2022

| | Governmental Activities | |
|----------------------------------|-------------------------|----------------|
| | 2023 | 2022 |
| Current assets | \$ 9,516,001 | \$ 7,042,725 |
| Capital and other | 3,583,138 | 4,112,801 |
| Total assets | 13,099,139 | 11,155,526 |
| Deferred outflows of resources | 2,585,591 | 3,750,714 |
| Current liabilities | 5,486,661 | 3,894,269 |
| Noncurrent liabilities | 9,921,861 | 11,059,004 |
| Total liabilities | 15,408,522 | 14,953,273 |
| Deferred inflows of resources | 2,416,025 | 2,438,203 |
| Net position: | | |
| Net investment in capital assets | 1,868,824 | 2,212,711 |
| Restricted | 802,799 | 921,284 |
| Unrestricted | (4,811,440) | (5,619,231) |
| Total net position | \$ (2,139,817) | \$ (2,485,236) |

Governmental Activities

Total net position as of June 30, 2022, was (\$2,485,236). For the year ended June 30, 2023, net position increased by \$345,419. 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.

Indian Nations Council of Governments

Management's Discussion and Analysis

June 30, 2023

The increase in net position was mainly due to decreased MERP expense. The decrease in MERP expense was driven by investments.

INCOG's Aging Services activities consist of several programs including Area Agency on Aging, CENA and MIPPA. During the current year, approximately \$209,552 of local funds were used to supplement the aging services programs. Federal aging grant funds of \$2,969,635 and state aging grant funds totaling \$1,328,739 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 \$1,663,811 in Federal grants were passed through to sub-recipients. Local funds totaling \$26,189 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 2023.

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 \$40,993 were used to help supplement the costs of these projects and program activities.

Table 2
Indian Nations Council of Governments
Governmental Activities
June 30, 2023

| | Governmental Activities | | | | |
|----------------------------|-------------------------|------------------|------------------------------|---------------------------|-------------------|
| | Aging Services | Transportation | Community & Economic Dev. | All Other Governmental | Total |
| Program revenues: | | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ 801,543 | \$ 801,543 |
| Grants/contributions | 4,860,462 | 3,409,865 | 1,170,642 | 6,091,220 | 15,532,189 |
| General revenue | <u>46,910</u> | <u>318,560</u> | <u>40,993</u> | <u>(257,895)</u> | <u>148,568</u> |
| Total revenues | <u>4,907,372</u> | <u>3,728,425</u> | <u>1,211,635</u> | <u>6,634,868</u> | <u>16,482,300</u> |
| Expenses: | | | | | |
| Program expenses | <u>4,907,372</u> | <u>3,728,425</u> | <u>1,211,635</u> | <u>6,289,450</u> | <u>1,6136,882</u> |
| Total expenses | <u>4,907,372</u> | <u>3,728,425</u> | <u>1,211,635</u> | <u>6,289,450</u> | <u>1,613,6882</u> |
| Changes in net position: | | | | | |
| Net increase or (decrease) | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ -0-</u> | <u>\$ 345,418</u> | <u>\$ 345,418</u> |

Indian Nations Council of Governments

Management's Discussion and Analysis

June 30, 2023

Fund Balance

The *Statement of Revenues, Expenses, and Changes in Fund Balance—Governmental Funds* shows INCOG's total governmental fund balance increase \$813,592 since last year mainly due increased interest income, revolving loan repayment, savings from open positions and less than anticipated operating and contract expenses.

Capital asset information

As of June 30, 2023, INCOG had \$1,868,824 invested in capital assets, which is a net decrease from the previous year's balance of (\$343,887). Capital assets include furniture and equipment, computer equipment, and vehicles along with capital leases for building and equipment.

Table 3
Indian Nations Council of Governments
Capital Assets
June 30, 2023 and 2022
(net of depreciation)

| | Governmental Activities | |
|-------------------------|----------------------------|---------------------|
| | 2023 | 2022 |
| Furniture and equipment | \$ 33,204 | \$ 47,335 |
| Computer equipment | 89,654 | 112,574 |
| Vehicles | 20,306 | 30,849 |
| Capital assets, net | <u>\$ 143,164</u> | <u>\$ 190,758</u> |
| Leased Assets | | |
| Building | \$ 1,584,710 | \$ 1,857,512 |
| Equipment | 140,950 | 164,441 |
| Capital leases, net | <u>\$ 1,725,660</u> | <u>\$ 2,021,953</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 \$ 3,465,411 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 2nd Street, Suite 800, Tulsa, Oklahoma, 74103 or email at incog@incog.org.

Basic Financial Statements

Indian Nations Council of Governments
 Statements of Net Position
 June 30, 2023

| | 2023 |
|---------------------------------------|----------------------------------|
| | Government Activities |
| Assets | |
| Cash | \$ 7,345,155 |
| Accounts receivable | 2,009,896 |
| Prepaid expenses | 42,465 |
| Notes Receivable | 760,334 |
| Due to other fund | 1,072,465 |
| Capital assets, net | 1,868,824 |
| Total Assets | 13,099,139 |
| Deferred Outflows of Resources | |
| Deferred amounts from pensions | 2,544,566 |
| Deferred amounts from OPEB | 41,025 |
| Total Deferred Outflows of Resources | 2,585,591 |
| Liabilities | |
| Accounts payable and accrued expense | 1,493,744 |
| Due from other fund | 1,072,465 |
| OPEB Obligation | 131,244 |
| Net pension liability | 7,640,274 |
| Deferred revenue | 3,204,043 |
| Leases payable | 1,866,752 |
| Total Liabilities | 15,408,522 |
| Deferred Inflows of Resources | |
| Deferred amounts to pensions | 2,343,458 |
| Deferred amounts to OPEB | 72,567 |
| Total Deferred Inflows of Resources | 2,416,025 |
| Net Position | |
| Net Investment in capital assets | 1,868,824 |
| Restricted for: | |
| Contractual | 760,334 |
| Nonexpendable | 42,465 |
| Unrestricted | (4,811,440) |
| Total Net Position | \$ (2,139,817) |

Indian Nations Council of Governments
 Governmental Funds Balance Sheet
 June 30, 2023

| | General Funds | Clean Cities Fund | Aging Services Fund | Rural Economic Action Plan | Transportation Fund | Other Governmental Funds | Total Governmental Funds |
|---------------------------------------|----------------------|------------------------------|--------------------------------|---|--------------------------------|---|---|
| Assets | | | | | | | |
| Cash | \$ 3,465,411 | \$ 979,057 | \$ 88,105 | \$ 2,753,862 | \$ - | \$ 58,719 | \$ 7,345,154 |
| Accounts receivable | 72,079 | 50,662 | 908,957 | 201,793 | 600,299 | 176,106 | 2,009,896 |
| Prepaid expense | 42,465 | - | - | - | - | - | 42,465 |
| Due from Other Fund | 1,001,917 | - | 6,510 | - | 13,806 | 50,233 | 1,072,466 |
| Deposits | - | - | - | - | - | - | - |
| Total Assets | <u>4,581,872</u> | <u>1,029,719</u> | <u>1,003,572</u> | <u>2,955,655</u> | <u>614,105</u> | <u>285,058</u> | <u>10,469,981</u> |
| Liabilities | | | | | | | |
| Accounts payable and Accrued exp. | 391,443 | 22,419 | 468,416 | 1,035 | 250,621 | 76,219 | 1,210,153 |
| Due to other fund | 37,105 | 63,342 | 447,051 | 11,364 | 363,484 | 150,120 | 1,072,466 |
| Deferred revenue | 78,399 | 35,563 | 88,105 | 2,943,256 | - | 58,719 | 3,204,042 |
| Total Liabilities | <u>506,947</u> | <u>121,324</u> | <u>1,003,572</u> | <u>2,955,655</u> | <u>614,105</u> | <u>285,058</u> | <u>5,486,661</u> |
| Fund Balance | | | | | | | |
| Nonspendable | 42,465 | - | - | - | - | - | 42,465 |
| Restricted | - | 908,395 | - | - | - | - | 908,395 |
| Assigned | - | - | - | - | - | - | - |
| Unassigned | 4,032,460 | - | - | - | - | - | 4,032,460 |
| Total Fund Balance | <u>4,074,925</u> | <u>908,395</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,983,320</u> |
| Total Liabilities and Fund Balance | <u>\$ 4,581,872</u> | <u>\$ 1,029,719</u> | <u>\$ 1,003,572</u> | <u>\$ 2,955,655</u> | <u>\$ 614,105</u> | <u>\$ 285,058</u> | <u>\$ 10,469,981</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, 2023

| | General Funds | Clean Cities Fund | Aging Services Fund | Rural Economic Action Plan | Transportation Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|------------------------------|--------------------------------|---|--------------------------------|---|---|
| Revenues | | | | | | | |
| Federal grants | \$ 14,320 | \$ 269,943 | \$ 3,322,172 | \$ - | \$ 3,389,322 | \$ 488,596 | \$ 7,484,353 |
| State grants and appropriations | 58,914 | - | 1,328,739 | 1,157,006 | - | 86,364 | 2,631,023 |
| Local charges and services | 4,346,106 | 93,246 | 209,552 | - | 20,542 | 854,550 | 5,523,996 |
| Members' dues and Assessments | 801,543 | - | - | - | - | 47,324 | 848,867 |
| Interest revenue | 66,096 | 35,148 | - | - | - | - | 101,244 |
| Match revenue | (2,681,269) | 184,656 | 46,910 | (64,590) | 318,560 | 2,195,733 | - |
| Total Revenues | <u>2,605,710</u> | <u>582,993</u> | <u>4,907,373</u> | <u>1,092,416</u> | <u>3,728,424</u> | <u>3,672,567</u> | <u>16,589,483</u> |
| Expenses | | | | | | | |
| Salaries | 808,275 | 163,711 | 304,059 | 34,869 | 611,140 | 1,360,920 | 3,282,974 |
| Fringe benefits | 458,037 | 101,022 | 187,627 | 21,517 | 377,118 | 815,963 | 1,961,284 |
| Indirect costs | 415,030 | 71,769 | 133,296 | 15,286 | 267,917 | 591,555 | 1,494,853 |
| Travel | 8,484 | 6,823 | 21,920 | - | 1,050 | 7,928 | 46,205 |
| Other expense | 159,882 | 14,959 | 29,105 | 102 | 346,349 | 591,152 | 1,141,549 |
| Program costs | 81,925 | 71,076 | - | - | 461,039 | 305,049 | 919,089 |
| Pass-through grants | - | - | 4,231,366 | 1,020,642 | 1,663,811 | - | 6,915,819 |
| Capital Outlays | 14,118 | - | - | - | - | - | 14,118 |
| Total Expenses | <u>1,945,751</u> | <u>429,360</u> | <u>4,907,373</u> | <u>1,092,416</u> | <u>3,728,424</u> | <u>3,672,567</u> | <u>15,775,891</u> |
| Net Change in Fund Balances | 659,959 | 153,633 | - | - | - | - | 813,592 |
| Principal received on notes receivable | - | - | - | - | - | - | - |
| Change in OPEB Obligation | - | - | - | - | - | - | - |
| Fund Balances, Beginning of Year | <u>3,414,966</u> | <u>754,762</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,169,728</u> |
| Fund Balances, End of Year | <u>\$ 4,074,925</u> | <u>\$ 908,395</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,983,320</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, 2023

Reconciliation of the Government Funds Balance

Sheet to the Statement of Net Assets

| | |
|--|-----------------------|
| Total fund balances - governmental funds | \$ 4,983,320 |
| Amounts reported for governmental activities in the Statement of Net Assets are different because: | |
| Assets are different because: | |
| Notes receivable | 760,334 |
| Capital assets, net of accumulated depreciation | 1,868,824 |
| Pension related deferred outflows | 2,544,566 |
| OPEB related deferred outflows | 41,025 |
| Liabilities are not due and payable in the current period, and therefore, are not reported as liabilities in the funds. | |
| Accrued vacation | (283,591) |
| Leases payable | (1,866,752) |
| Net pension liability | (7,640,274) |
| OPEB Obligation liability | (131,244) |
| Pension related deferred inflows | (2,343,458) |
| OPEB related deferred inflows | (72,567) |
| Net assets of governmental activities | <u>\$ (2,139,817)</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 | \$ 813,592 |
| 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 | 14,118 |
| Depreciation and amortization expense | (358,005) |
| 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 | (118,485) |
| 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 | 74,846 |
| Lease payments | 233,972 |
| OPEB obligation, net change | 11,302 |
| Pension related expenses, net change | (325,921) |
| Change in Net Assets - governmental activities | <u>\$ 345,419</u> |

Indian Nations Council of Governments
 Statements of Net Position
 Fiduciary Funds - E911
 June 30, 2023

| | 2023 |
|---------------------------|-------------|
| Assets | |
| Cash | \$ 240,214 |
| Accounts receivable | - |
| Prepaid expenses | 10,419 |
| Total Assets | 250,633 |
| Liabilities | |
| Accounts payable | 18,345 |
| Deferred revenue | 232,288 |
| Total Liabilities | 250,633 |
| Total Net Position | \$ - |

Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2023

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, 2023

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, 2023

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, 2023.

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, 2023

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, 2023

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, 2023

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 plus benefits charged to grants and other projects.

Accounting Pronouncements Adopted in Fiscal Year 2023

INCOG adopted the following new accounting pronouncement during the year ended June 30, 2023:

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

GASB No 96 was issued May 2020, and the objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. GASB Statement No. 96: Subscription-Based Information Technology Arrangements This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases , as amended. INCOG adopted GASB 96 for the June 30, 2023, 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, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

Management has evaluated subsequent events through February 28, 2024, the date which the financial statements were available to be issued.

Note 2: Deposits and Investments

Deposits

INCOG's carrying amount of deposits was \$7,585,369 as of June 30, 2023, and the bank balances totaled \$8,219,108. 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, 2023, all of INCOG's bank balances of \$8,219,108, were FDIC insured or collateralized by pledges from the banks.

Investments

INCOG had no investments as of June 30, 2023.

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, 2023

Note 3: Receivables

Accounts Receivable

Receivables as of June 30, 2023, 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 | \$ 72,079 | \$ 908,957 | \$ 600,299 | \$ 201,793 | \$ 226,768 | \$2,009,896 |
| Less: allowance for uncollectibles | - | - | - | - | - | - |
| Net total receivables | <u>\$ 72,079</u> | <u>\$ 908,957</u> | <u>\$ 600,299</u> | <u>\$ 201,793</u> | <u>\$ 226,768</u> | <u>\$2,009,896</u> |

Note Receivable

INCOG also had a note receivable as of June 30, 2023 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 \$760,334 were due as of June 30, 2023 and payable annually over 15 years with interest at 1.00%.

Note receivable balances and activity for the year ended June 30, 2023 were as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|------------------|----------------------|-------------|---------------------|-------------------|
| Note Receivables | \$ 878,819 | \$ - | \$ (118,485) | \$ 760,334 |
| Total | <u>\$ 878,819</u> | <u>\$ -</u> | <u>\$ (118,485)</u> | <u>\$ 760,334</u> |

Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2023

Note 4: Capital Assets

Capital asset balances and activities for the year ended June 30, 2023, were as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|-------------------------|-------------------------|-----------------|-------------------------|
| Governmental activities | | | | |
| Capital assets, being depreciated | | | | |
| Equipment & furniture | \$ 138,520 | - | - | \$ 138,520 |
| Computer equipment & software | 426,870 | 14,118 | - | 440,988 |
| Vehicles | 158,760 | - | - | 158,760 |
| Total capital assets, being depreciated | <u>724,150</u> | <u>14,118</u> | <u>-</u> | <u>738,268</u> |
| Less accumulated depreciation for: | | | | |
| Equipment & furniture | (91,185) | (14,131) | - | (105,316) |
| Computer equipment & software | (314,296) | (37,038) | - | (351,334) |
| Vehicles | (127,911) | (10,543) | - | (138,454) |
| Total accumulated depreciation | <u>(533,392)</u> | <u>(61,712)</u> | <u>-</u> | <u>(595,104)</u> |
| Total capital assets being depreciated, net | <u>190,758</u> | <u>(47,594)</u> | <u>-</u> | <u>143,164</u> |
| Lease Assets Being Amortized: | | | | |
| Building | 2,130,987 | - | - | 2,130,987 |
| Equipment | 187,932 | - | - | 187,932 |
| Total lease assets, being amortized | <u>2,318,919</u> | <u>-</u> | <u>-</u> | <u>2,318,919</u> |
| Less accumulated depreciation for: | | | | |
| Building | (273,475) | (272,802) | - | (546,277) |
| Equipment | (23,491) | (23,491) | - | (46,982) |
| Total accumulated amortization | <u>(296,966)</u> | <u>(296,293)</u> | <u>-</u> | <u>(593,259)</u> |
| Total lease assets being amortized, net | <u>2,021,953</u> | <u>(296,293)</u> | <u>-</u> | <u>1,725,660</u> |
| Governmental activities capital assets, net | <u>\$ 2,212,711</u> | <u>\$ (343,887)</u> | <u>\$ -</u> | <u>\$ 1,868,824</u> |

Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2023

Note 4: Capital Assets (Continued)

Depreciation expense for the years ended June 30, 2023 was charged to functions/programs of the primary government as follows:

| | <u>2023</u> |
|--|--------------------------|
| Governmental activities | |
| General government | <u>\$ 358,005</u> |
| Total depreciation and amortization expense - governmental activities | <u><u>\$ 358,005</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, 2023 totaled \$1,746,621 and included the following:

| | <u>2023</u> |
|----------------------------|---------------------------|
| REAP funds: | |
| 2019 REAP funds | \$ 54,683 |
| 2020 REAP funds | 190,144 |
| 2021 REAP funds | 179,174 |
| 2022 REAP funds | 390,655 |
| 2023 REAP funds | <u>2,128,601</u> |
| Total REAP funds | <u>2,943,257</u> |
| Community development | 233,623 |
| Energy revolving loan fund | <u>27,163</u> |
| Total deferred revenue | <u><u>\$3,204,043</u></u> |

Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2023

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% of their pensionable wages from January 1, 2021 to September 24, 2022 and 8.0% thereafter to the plan. INCOG is required to contribute 16.5% of pensionable wages from January 1, 2021 to September 24, 2022 and 17.0% thereafter of covered compensation.

INCOG is also responsible for Actuarially Determined Employer Contributions (ADEC) that exceeds the 15.5% of pensionable wages. Actual contributions to the pension plan from INCOG were \$710,709 for the years ended June 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, INCOG reported a liability of \$7,640,274, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. Standard update procedures were used to roll forward the total pension liability to June 30, 2023. 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, 2023, INCOG's proportion was 2.7251%, which was a decrease of 0.4024% from its proportion measured as of June 30, 2022.

Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2023

Note 6: Retirement Plans (Continued)

INCOG recognized pension expense of \$325,922 for the year ended June 30, 2023. At June 30, 2023, INCOG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | 2023 | |
|--|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred inflows of Resources |
| Differences between expected and actual experience | \$ 651,494 | \$ 2,226 |
| Changes of assumptions | 222,674 | 134,753 |
| Net difference between projected and actual earnings on pension plan investments | 1,602,559 | 1,434,661 |
| Changes in proportion and differences between INCOG's contributions and proportionate share of contributions | 67,839 | 771,818 |
| INCOG's contributions subsequent to the measurement date | - | - |
| Total | \$ 2,544,566 | \$ 2,343,458 |

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

| <u>Year ended June 30:</u> | |
|-----------------------------------|-------------------|
| 2024 | \$ 329,278 |
| 2025 | 16,570 |
| 2026 | 618,864 |
| 2027 | (59,625) |
| Total | \$ 905,087 |

Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2023

Note 6: Retirement Plans (Continued)

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of January 1, 2023, 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, 2023.

- 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, 2023, 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, 2023, 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, 2023

Note 6: Retirement Plans (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:

| | 1% Decrease (5.75%) | Current Discount Rate (6.75%) | 1% Increase (7.75%) |
|----------------------------------|------------------------|-------------------------------------|------------------------|
| Employers' net pension liability | \$ 10,462,056 | \$ 7,640,274 | \$ 5,284,885 |

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.

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, 2023

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, 2023, INCOG reported a liability of \$131,244 for its proportionate share of the OPEB liability. The total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023. 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, 2023, INCOG's proportion was 2.3405%.

Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2023

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:

| | 2023 | |
|--|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 22,300 | \$ 10,106 |
| Changes of assumptions | 6,774 | 12,289 |
| Changes in proportion and differences between INCOG's contributions and proportionate share of contributions | 11,951 | 50,172 |
| Total | \$ 41,025 | \$ 72,567 |

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:

| <u>Year ended June 30:</u> | |
|----------------------------|----------|
| 2024 | \$ 4,691 |
| 2025 | 5,567 |
| 2026 | (2,253) |
| 2027 | (1,327) |
| Total | \$ 6,678 |

Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2023

Note 7: Other Post-Employment Benefits (Continued)

Actuarial assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, 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 Valuation Date - June 30, 2022, with results actuarially projected on a "no gain / no loss" basis to get to the June 30, 2023, measurement date. Liabilities as of June 30, 2023 are based on an actuarial valuation date of June 30, 2023, 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 4.13 percent as of June 30, 2023, 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 4.13 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 (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

| | 1% Decrease (3.13%) | Current Discount Rate (4.13%) | 1% Increase (5.13%) |
|-------------------------------|--------------------------------|--|--------------------------------|
| Employers' net OPEB liability | \$ 142,507 | \$ 131,244 | \$ 121,122 |

Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2023

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:

| | 1% Decrease (6.50%) decreasing to 3.50%) | Current Rate (7.50%) decreasing to 4.50%) | 1% Increase (8.50%) decreasing to 5.50%) |
|-------------------------------|---|--|---|
| Employers' net OPEB liability | \$ 118,294 | \$ 131,246 | \$ 146,254 |

Note 8: Non-Current Liabilities

Non-current liabilities at June 30, 2023 were as follows:

| | 2023 |
|--|--------------|
| Governmental activities | |
| Compensated absences | \$ 283,591 |
| Lease payable | 1,866,752 |
| Net pension liability | 7,640,274 |
| Net OPEB obligation | 131,244 |
| Total noncurrent liabilities for governmental activities | \$ 9,921,861 |

Non-current liability transactions for the year ended June 30, 2023 were as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|-------------------------------|----------------------|-----------|----------------|-------------------|-----------------------------------|
| Governmental activities | | | | | |
| Compensated absences | \$ 358,436 | \$ - | \$ (74,845) | \$ 283,591 | \$ - |
| Lease payable | 2,100,724 | - | (233,972) | 1,866,752 | 249,273 |
| Net pension liability | 8,406,588 | - | (766,314) | 7,640,274 | - |
| Net OPEB obligation | 193,256 | - | (62,012) | 131,244 | - |
| Total governmental activities | \$ 11,059,004 | \$ - | \$ (1,137,143) | \$ 9,921,861 | \$ 249,273 |

Indian Nations Council of Governments

Notes to Financial Statements

June 30, 2023

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 |
|----------------------|---------------------|-------------------|----------------------|
| 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 |
| 2028 | 339,305 | 38,471 | 377,776 |
| Thereafter | 363,835 | 13,942 | 377,777 |
| | <u>\$ 1,866,752</u> | <u>\$ 427,232</u> | <u>\$ 2,293,984</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, 2023

| | 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 |
|---|------------------------|-----------------------|------------------|-----------------------------|------------------|--|---|------------------------------------|
| Assets | | | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 58,719 | \$ 58,719 |
| Investments | - | - | - | - | - | - | - | - |
| Accounts receivable | 1,136 | - | 26,896 | 4,531 | 35,692 | 33,338 | 74,513 | 176,106 |
| Due from Other Fund | - | 62 | 33,140 | - | - | - | 17,031 | 50,233 |
| Prepaid Expenses | - | - | - | - | - | - | - | - |
| Deposits | - | - | - | - | - | - | - | - |
| Total Assets | <u>1,136</u> | <u>62</u> | <u>60,036</u> | <u>4,531</u> | <u>35,692</u> | <u>33,338</u> | <u>150,263</u> | <u>285,058</u> |
| Liabilities | | | | | | | | |
| Accounts payable and Accrued exp. | 210 | 62 | 57,875 | - | 1,041 | - | 17,031 | 76,219 |
| Due to other fund | 926 | - | 2,161 | 4,531 | 34,651 | 33,338 | 74,513 | 150,120 |
| Unearned revenue | - | - | - | - | - | - | 58,719 | 58,719 |
| Total Liabilities | <u>1,136</u> | <u>62</u> | <u>60,036</u> | <u>4,531</u> | <u>35,692</u> | <u>33,338</u> | <u>150,263</u> | <u>285,058</u> |
| Fund Balance | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Restricted | - | - | - | - | - | - | - | - |
| 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>\$ 1,136</u> | <u>\$ 62</u> | <u>\$ 60,036</u> | <u>\$ 4,531</u> | <u>\$ 35,692</u> | <u>\$ 33,338</u> | <u>\$ 150,263</u> | <u>\$ 285,058</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, 2023

| | 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 |
|--|------------------------|-----------------------|-----------------------|-----------------------------|----------------|--|---|------------------------------------|
| Revenues | | | | | | | | |
| Federal grants | \$ - | \$ - | \$ 104,851 | \$ 219,934 | \$ - | \$ - | \$ 163,811 | \$ 488,596 |
| State grants and appropriations | 13,636 | 72,727 | - | - | - | - | 1 | 86,364 |
| Local charges and services | - | - | 61,642 | - | 207,392 | 433,244 | 152,272 | 854,550 |
| Members' dues and Assessments | - | - | - | - | - | - | 47,324 | 47,324 |
| Interest revenue | - | - | - | - | - | - | - | - |
| Match revenue | 105,583 | 32,931 | 54,003 | - | 177,979 | 111,932 | 1,713,305 | 2,195,733 |
| Total Revenues | <u>119,219</u> | <u>105,658</u> | <u>220,496</u> | <u>219,934</u> | <u>385,371</u> | <u>545,176</u> | <u>2,076,713</u> | <u>3,672,567</u> |
| Expenses | | | | | | | | |
| Salaries | 57,321 | 48,743 | 48,272 | 19,281 | 177,230 | 247,645 | 762,428 | 1,360,920 |
| Fringe benefits | 35,372 | 30,078 | 10,861 | 11,898 | 109,364 | 152,815 | 465,575 | 815,963 |
| Indirect costs | 25,129 | 21,368 | 21,162 | 8,453 | 77,695 | 103,508 | 334,240 | 591,555 |
| Travel | - | 133 | 1,632 | (62) | 3,564 | - | 2,661 | 7,928 |
| Other expense | 1,397 | 5,336 | 138,569 | 180,364 | 17,518 | 41,208 | 206,760 | 591,152 |
| Consultants/Contractual | - | - | - | - | - | - | 305,049 | 305,049 |
| Pass-through grants | - | - | - | - | - | - | - | - |
| Capital Outlays | - | - | - | - | - | - | - | - |
| Total Expenses | <u>119,219</u> | <u>105,658</u> | <u>220,496</u> | <u>219,934</u> | <u>385,371</u> | <u>545,176</u> | <u>2,076,713</u> | <u>3,672,567</u> |
| Net Change in Fund Balances | - | - | - | - | - | - | - | - |
| 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, 2023

| | 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 |
|---------------------------------------|------------------------------|------------------------|------------------|-----------------|-----------------|-----------------|----------------------------------|-----------------------------------|-------------------------|
| Assets | | | | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investments | - | - | - | - | - | - | - | - | - |
| Accounts receivable | 11,123 | 39,679 | 13,584 | 6,165 | 5,659 | 1,561 | 12,333 | 16,384 | 8,186 |
| Due from Other Fund | - | - | - | - | - | - | - | - | - |
| Prepaid Expenses | - | - | - | - | - | - | - | - | - |
| Deposits | - | - | - | - | - | - | - | - | - |
| Total Assets | <u>11,123</u> | <u>39,679</u> | <u>13,584</u> | <u>6,165</u> | <u>5,659</u> | <u>1,561</u> | <u>12,333</u> | <u>16,384</u> | <u>8,186</u> |
| Liabilities | | | | | | | | | |
| Accounts payable and Accrued exp. | 337 | 1,331 | 415 | 191 | 169 | 34 | 6,166 | 5,550 | 4,435 |
| Due to other fund | 10,786 | 38,348 | 13,169 | 5,974 | 5,490 | 1,527 | 6,167 | 10,834 | 3,751 |
| Unearned revenue | - | - | - | - | - | - | - | - | - |
| Total Liabilities | <u>11,123</u> | <u>39,679</u> | <u>13,584</u> | <u>6,165</u> | <u>5,659</u> | <u>1,561</u> | <u>12,333</u> | <u>16,384</u> | <u>8,186</u> |
| Fund Balance | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - | - |
| Restricted | - | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - | - |
| Total Fund Balance | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Fund Balance | <u>\$ 11,123</u> | <u>\$ 39,679</u> | <u>\$ 13,584</u> | <u>\$ 6,165</u> | <u>\$ 5,659</u> | <u>\$ 1,561</u> | <u>\$ 12,333</u> | <u>\$ 16,384</u> | <u>\$ 8,186</u> |

Indian Nations Council of Governments
Combining Balance Sheets
Area Agency on Aging Funds
June 30, 2023

| | 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 |
|---------------------------------------|-------------------------------------|----------------------------------|-----------------------|-----------------------------|-----------------------|-----------------------------|--|-------------------------------------|
| Assets | | | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investments | - | - | - | - | - | - | - | - |
| Accounts receivable | 116,098 | 14,266 | 128,439 | 61,155 | 222,146 | 48,468 | 5,000 | 45,605 |
| Due from Other Fund | - | - | - | - | - | - | - | - |
| Prepaid Expenses | - | - | - | - | - | - | - | - |
| Deposits | - | - | - | - | - | - | - | - |
| Total Assets | <u>116,098</u> | <u>14,266</u> | <u>128,439</u> | <u>61,155</u> | <u>222,146</u> | <u>48,468</u> | <u>5,000</u> | <u>45,605</u> |
| Liabilities | | | | | | | | |
| Accounts payable and Accrued exp. | 78,626 | 6,666 | 62,806 | 40,963 | 143,578 | 28,231 | 2,353 | 21,097 |
| Due to other fund | 37,472 | 7,600 | 65,633 | 20,192 | 78,568 | 20,237 | 2,647 | 24,508 |
| Unearned revenue | - | - | - | - | - | - | - | - |
| Total Liabilities | <u>116,098</u> | <u>14,266</u> | <u>128,439</u> | <u>61,155</u> | <u>222,146</u> | <u>48,468</u> | <u>5,000</u> | <u>45,605</u> |
| Fund Balance | | | | | | | | |
| 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>\$ 116,098</u> | <u>\$ 14,266</u> | <u>\$ 128,439</u> | <u>\$ 61,155</u> | <u>\$ 222,146</u> | <u>\$ 48,468</u> | <u>\$ 5,000</u> | <u>\$ 45,605</u> |

Indian Nations Council of Governments
Combining Balance Sheets
Area Agency on Aging Funds
June 30, 2023

| | Michael Lundy Title IIIC1 | Ability Resources Title IIID | Masonic | CENA | All Other AAA Funds | Total AAA Funds |
|---------------------------------------|------------------------------|------------------------------------|------------------|------------------|------------------------|---------------------|
| Assets | | | | | | |
| Cash | \$ - | \$ - | \$ 88,105 | \$ - | \$ - | \$ 88,105 |
| Investments | - | - | - | - | - | - |
| Accounts receivable | 9,368 | 22,728 | - | 14,288 | 106,722 | 908,957 |
| Due from Other Fund | - | - | 6,510 | - | - | 6,510 |
| Prepaid Expenses | - | - | - | - | - | - |
| Deposits | - | - | - | - | - | - |
| Total Assets | <u>9,368</u> | <u>22,728</u> | <u>94,615</u> | <u>14,288</u> | <u>106,722</u> | <u>1,003,572</u> |
| Liabilities | | | | | | |
| Accounts payable and Accrued exp. | 4,537 | 9,461 | 6,510 | 5,572 | 39,388 | 468,416 |
| Due to other fund | 4,831 | 13,267 | - | 8,716 | 67,334 | 447,051 |
| Unearned revenue | - | - | 88,105 | - | - | 88,105 |
| Total Liabilities | <u>9,368</u> | <u>22,728</u> | <u>94,615</u> | <u>14,288</u> | <u>106,722</u> | <u>1,003,572</u> |
| Fund Balance | | | | | | |
| 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>\$ 9,368</u> | <u>\$ 22,728</u> | <u>\$ 94,615</u> | <u>\$ 14,288</u> | <u>\$ 106,722</u> | <u>\$ 1,003,572</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, 2023

| | Title IIIB Administrative | Title IIIB Services | Title IIIC1 | Title IIIC2 | Title IIIE | Title VII | USDA NSIP | Services Morton Title III | Cimarron Transit Title IIIB |
|--|------------------------------|------------------------|----------------|---------------|---------------|---------------|----------------|---------------------------------|-----------------------------------|
| Revenues | | | | | | | | | |
| Federal grants | \$ 58,635 | \$ 193,351 | \$ 72,612 | \$ 33,898 | \$ 29,462 | \$ 9,878 | \$ 143,078 | \$ 51,000 | \$ 105,618 |
| State grants and appropriations | 19,545 | 34,121 | 24,204 | 11,299 | 9,821 | 1,743 | - | 9,000 | 18,639 |
| Local charges and services | - | - | - | - | - | - | - | - | - |
| Members' dues and Assessments | - | - | - | - | - | - | - | - | - |
| Interest revenue | - | - | - | - | - | - | - | - | - |
| Match revenue | 12,093 | 14,597 | 16,164 | 8,169 | 5,910 | 777 | - | - | - |
| Total Revenues | <u>90,273</u> | <u>242,069</u> | <u>112,980</u> | <u>53,366</u> | <u>45,193</u> | <u>12,398</u> | <u>143,078</u> | <u>60,000</u> | <u>124,257</u> |
| Expenses | | | | | | | | | |
| Salaries | 40,471 | 108,310 | 50,660 | 23,914 | 20,282 | 5,560 | - | - | - |
| Fringe benefits | 24,973 | 66,760 | 31,261 | 14,758 | 12,515 | 3,432 | - | - | - |
| Indirect costs | 17,742 | 47,462 | 22,208 | 10,484 | 8,891 | 2,437 | - | - | - |
| Travel | 2,735 | 7,393 | 3,423 | 1,606 | 1,356 | 368 | - | - | - |
| Other expense | 4,352 | 12,144 | 5,428 | 2,604 | 2,149 | 601 | - | - | - |
| Program costs | - | - | - | - | - | - | - | - | - |
| Pass-through grants | - | - | - | - | - | - | 143,078 | 60,000 | 124,257 |
| Capital Outlays | - | - | - | - | - | - | - | - | - |
| Total Expenses | <u>90,273</u> | <u>242,069</u> | <u>112,980</u> | <u>53,366</u> | <u>45,193</u> | <u>12,398</u> | <u>143,078</u> | <u>60,000</u> | <u>124,257</u> |
| Net Change in Fund Balances | - | - | - | - | - | - | - | - | - |
| 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, 2023

| | Legal Aid Title IIIB | Oxford Health Care Title IIIB | Services Sodexho Title IIIB | Sodexho Title IIIC1 | Osage County Title IIIC1 | Sodexho Title IIIC2 | Osage County Title IIIC2 | Broken Arrow Nutrition Title IIIC2 | Oxford Health Care Title IIIE |
|--|-------------------------|-------------------------------------|-----------------------------------|------------------------|--------------------------------|------------------------|--------------------------------|--|-------------------------------------|
| Revenues | | | | | | | | | |
| Federal grants | \$ 34,199 | \$ 377,566 | \$ 63,006 | \$ 694,023 | \$ 225,916 | \$ 581,233 | \$ 128,030 | \$ 17,481 | \$ 320,185 |
| State grants and appropriations | 6,035 | 66,629 | 11,119 | 199,378 | 86,712 | 416,249 | 91,689 | 12,519 | 106,728 |
| Local charges and services | - | - | - | - | - | - | - | - | - |
| Members' dues and Assessments | - | - | - | - | - | - | - | - | - |
| Interest revenue | - | - | - | - | - | - | - | - | - |
| Match revenue | - | - | - | - | - | - | - | - | - |
| Total Revenues | <u>40,234</u> | <u>444,195</u> | <u>74,125</u> | <u>893,401</u> | <u>312,628</u> | <u>997,482</u> | <u>219,719</u> | <u>30,000</u> | <u>426,913</u> |
| Expenses | | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - | - |
| Fringe benefits | - | - | - | - | - | - | - | - | - |
| Indirect costs | - | - | - | - | - | - | - | - | - |
| Travel | - | - | - | - | - | - | - | - | - |
| Other expense | - | - | - | - | - | - | - | - | - |
| Program costs | - | - | - | - | - | - | - | - | - |
| Pass-through grants | 40,234 | 444,195 | 74,125 | 893,401 | 312,628 | 997,482 | 219,719 | 30,000 | 426,913 |
| Capital Outlays | - | - | - | - | - | - | - | - | - |
| Total Expenses | <u>40,234</u> | <u>444,195</u> | <u>74,125</u> | <u>893,401</u> | <u>312,628</u> | <u>997,482</u> | <u>219,719</u> | <u>30,000</u> | <u>426,913</u> |
| Net Change in Fund Balances | - | - | - | - | - | - | - | - | - |
| 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, 2023

| | Michael Lundy Title IIIC1 | Ability Resources Title IIID | Masonic | CENA | All Other AAA Funds | Total AAA Funds |
|--|------------------------------|------------------------------------|---------------|----------------|------------------------|--------------------|
| Revenues | | | | | | |
| Federal grants | \$ 43,905 | \$ 62,220 | \$ - | \$ - | \$ 76,876 | \$ 3,322,172 |
| State grants and appropriations | 10,346 | - | - | 170,650 | 22,313 | 1,328,739 |
| Local charges and services | - | - | 96,074 | - | 113,478 | 209,552 |
| Members' dues and Assessments | - | - | - | - | - | - |
| Interest revenue | - | - | - | - | - | - |
| Match revenue | - | - | - | - | (10,800) | 46,910 |
| Total Revenues | <u>54,251</u> | <u>62,220</u> | <u>96,074</u> | <u>170,650</u> | <u>201,867</u> | <u>4,907,373</u> |
| Expenses | | | | | | |
| Salaries | - | - | - | 3,011 | 51,851 | 304,059 |
| Fringe benefits | - | - | - | 1,858 | 32,070 | 187,627 |
| Indirect costs | - | - | - | 1,320 | 22,752 | 133,296 |
| Travel | - | - | - | - | 5,039 | 21,920 |
| Other expense | - | - | 60 | - | 1,767 | 29,105 |
| Program costs | - | - | - | - | - | - |
| Pass-through grants | 54,251 | 62,220 | 96,014 | 164,461 | 88,388 | 4,231,366 |
| Capital Outlays | - | - | - | - | - | - |
| Total Expenses | <u>54,251</u> | <u>62,220</u> | <u>96,074</u> | <u>170,650</u> | <u>201,867</u> | <u>4,907,373</u> |
| Net Change in Fund Balances | - | - | - | - | - | - |
| 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, 2023

| | FTA Planning | FHWA Planning | Section 5310 FY19 | Section 5310 FY20 | Section 5310 FY21 | CMAQ Ozone Alert |
|---|-------------------------|--------------------------|------------------------------|------------------------------|------------------------------|-----------------------------|
| Assets | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investments | - | - | - | - | - | - |
| Accounts receivable | 56,264 | 261,168 | 38,371 | 76,863 | 23,587 | 73,499 |
| Due from Other Fund | - | - | - | 2,749 | - | 11,057 |
| Prepaid Expenses | - | - | - | - | - | - |
| Deposits | - | - | - | - | - | - |
| Total Assets | <u>56,264</u> | <u>261,168</u> | <u>38,371</u> | <u>79,612</u> | <u>23,587</u> | <u>84,556</u> |
| Liabilities | | | | | | |
| Accounts payable and Accrued exp. | 777 | 3,606 | 38,371 | 79,612 | 19,748 | 84,556 |
| Due to other fund | 55,487 | 257,562 | - | - | 3,839 | - |
| Unearned revenue | - | - | - | - | - | - |
| Total Liabilities | <u>56,264</u> | <u>261,168</u> | <u>38,371</u> | <u>79,612</u> | <u>23,587</u> | <u>84,556</u> |
| Fund Balance | | | | | | |
| 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>\$ 56,264</u> | <u>\$ 261,168</u> | <u>\$ 38,371</u> | <u>\$ 79,612</u> | <u>\$ 23,587</u> | <u>\$ 84,556</u> |

Indian Nations Council of Governments
Combining Balance Sheets
Transportation Planning Funds
June 30, 2023

| | CMAQ Traffic Oper Operations | CMAQ Public Fleet Conversion | CMAQ Air Quality Projects | Tulsa Bike/Pedestrian Safety | All Other Transportation Planning Funds | Total Transportation Planning Funds |
|---|---|---|--|---|--|--|
| Assets | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investments | - | - | - | - | - | - |
| Accounts receivable | - | - | 45,769 | 13,581 | 11,197 | 600,299 |
| Due from Other Fund | - | - | - | - | - | 13,806 |
| Prepaid Expenses | - | - | - | - | - | - |
| Deposits | - | - | - | - | - | - |
| Total Assets | <u>-</u> | <u>-</u> | <u>45,769</u> | <u>13,581</u> | <u>11,197</u> | <u>614,105</u> |
| Liabilities | | | | | | |
| Accounts payable and Accrued exp. | - | - | 16,718 | 6,616 | 617 | 250,621 |
| Due to other fund | - | - | 29,051 | 6,965 | 10,580 | 363,484 |
| Unearned revenue | - | - | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>45,769</u> | <u>13,581</u> | <u>11,197</u> | <u>614,105</u> |
| Fund Balance | | | | | | |
| 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>\$ -</u> | <u>\$ -</u> | <u>\$ 45,769</u> | <u>\$ 13,581</u> | <u>\$ 11,197</u> | <u>\$ 614,105</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, 2023

| | FTA Planning | FHWA Planning | Section 5310 FY19 | Section 5310 FY20 | Section 5310 FY21 | CMAQ Ozone Alert |
|--|-----------------|------------------|----------------------|----------------------|----------------------|---------------------|
| Revenues | | | | | | |
| Federal grants | \$ 219,175 | \$ 1,017,934 | \$ 225,489 | \$ 572,708 | \$ 82,830 | \$ 120,448 |
| State grants and appropriations | - | - | - | - | - | - |
| Local charges and services | - | - | - | - | - | - |
| Members' dues and Assessments | - | - | - | - | - | - |
| Interest revenue | - | - | - | - | - | - |
| Match revenue | 54,693 | 254,222 | 73 | 4 | (1) | 30,112 |
| Total Revenues | <u>273,868</u> | <u>1,272,156</u> | <u>225,562</u> | <u>572,712</u> | <u>82,829</u> | <u>150,560</u> |
| Expenses | | | | | | |
| Salaries | 101,139 | 469,785 | 2,719 | 30,709 | 6,786 | - |
| Fringe benefits | 62,410 | 289,893 | 1,678 | 18,950 | 4,187 | - |
| Indirect costs | 44,338 | 205,948 | 1,192 | 13,462 | 2,975 | - |
| Travel | 188 | 865 | - | - | - | - |
| Other expense | 15,519 | 65,527 | - | - | - | 58,544 |
| Program costs | 50,274 | 240,138 | - | - | - | 92,016 |
| Pass-through grants | - | - | 219,973 | 509,591 | 68,881 | - |
| Capital Outlays | - | - | - | - | - | - |
| Total Expenses | <u>273,868</u> | <u>1,272,156</u> | <u>225,562</u> | <u>572,712</u> | <u>82,829</u> | <u>150,560</u> |
| Net Change in Fund Balances | - | - | - | - | - | - |
| 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> |

Indian Nations Council of Governments
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Transportation Planning Funds
June 30, 2023

| | CMAQ Traffic Oper Operations | CMAQ Public Fleet Conversion | CMAQ Air Quality Projects | Tulsa Bike/Pedestrian Safety | All Other Transportation Planning Funds | Total Transportation Planning Funds |
|--|------------------------------------|------------------------------------|---------------------------------|------------------------------------|---|---|
| Revenues | | | | | | |
| Federal grants | \$ 124,908 | \$ 200,000 | \$ 89,288 | \$ 85,373 | \$ 651,169 | \$ 3,389,322 |
| State grants and appropriations | - | - | - | - | - | - |
| Local charges and services | - | - | - | - | 20,542 | 20,542 |
| Members' dues and Assessments | - | - | - | - | - | - |
| Interest revenue | - | - | - | - | - | - |
| Match revenue | - | - | - | - | (20,543) | 318,560 |
| Total Revenues | <u>124,908</u> | <u>200,000</u> | <u>89,288</u> | <u>85,373</u> | <u>651,168</u> | <u>3,728,424</u> |
| Expenses | | | | | | |
| Salaries | - | - | - | - | 2 | 611,140 |
| Fringe benefits | - | - | - | - | - | 377,118 |
| Indirect costs | - | - | - | - | 2 | 267,917 |
| Travel | - | - | - | - | (3) | 1,050 |
| Other expense | - | 200,000 | - | 6,763 | (4) | 346,349 |
| Program costs | - | - | - | 78,610 | 1 | 461,039 |
| Pass-through grants | 124,908 | - | 89,288 | - | 651,170 | 1,663,811 |
| Capital Outlays | - | - | - | - | - | - |
| Total Expenses | <u>124,908</u> | <u>200,000</u> | <u>89,288</u> | <u>85,373</u> | <u>651,168</u> | <u>3,728,424</u> |
| Net Change in Fund Balances | - | - | - | - | - | - |
| 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> |

Indian Nations Council of Governments
Combining Balance Sheets
REAP Funds
June 30, 2023

| Assets | 2019 REAP | 2020 REAP | 2021 REAP | 2022 REAP | 2023 REAP | REAP Administration | Total REAP Funds |
|---------------------------------------|------------------|-------------------|-------------------|-------------------|---------------------|--------------------------------|-----------------------------|
| Cash | \$ 54,683 | \$ 190,144 | \$ 179,174 | \$ 390,655 | \$ 2,128,601 | \$ (189,395) | \$ 2,753,862 |
| Investments | - | - | - | - | - | - | - |
| Accounts receivable | - | - | - | - | - | 201,793 | 201,793 |
| Due from Other Fund | - | - | - | - | - | - | - |
| Prepaid Expenses | - | - | - | - | - | - | - |
| Deposits | - | - | - | - | - | - | - |
| Total Assets | <u>54,683</u> | <u>190,144</u> | <u>179,174</u> | <u>390,655</u> | <u>2,128,601</u> | <u>12,398</u> | <u>2,955,655</u> |
| Liabilities | | | | | | | |
| Accounts payable and Accrued exp. | - | - | - | - | - | 1,035 | 1,035 |
| Due to other fund | - | - | - | - | - | 11,364 | 11,364 |
| Unearned revenue | 54,683 | 190,144 | 179,174 | 390,655 | 2,128,601 | (1) | 2,943,256 |
| Total Liabilities | <u>54,683</u> | <u>190,144</u> | <u>179,174</u> | <u>390,655</u> | <u>2,128,601</u> | <u>12,398</u> | <u>2,955,655</u> |
| Fund Balance | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - |
| Restricted | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - |
| Total Fund Balance | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities and Fund Balance | <u>\$ 54,683</u> | <u>\$ 190,144</u> | <u>\$ 179,174</u> | <u>\$ 390,655</u> | <u>\$ 2,128,601</u> | <u>\$ 12,398</u> | <u>\$ 2,955,655</u> |

Indian Nations Council of Governments
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
REAP Funds
For the Year Ended June 30, 2023

| Revenues | 2019 REAP | 2020 REAP | 2021 REAP | 2022 REAP | 2023 REAP | REAP Administration | Total REAP Funds |
|---|------------------|------------------|------------------|------------------|------------------|--------------------------------|-----------------------------|
| State grants | \$ 2,356 | \$ 76,244 | \$ 227,761 | \$ 243,762 | \$ 470,520 | \$ 136,363 | \$ 1,157,006 |
| Interest revenue | - | - | - | - | - | - | - |
| Match revenue | - | - | - | - | - | (64,590) | (64,590) |
| Total Revenues | <u>2,356</u> | <u>76,244</u> | <u>227,761</u> | <u>243,762</u> | <u>470,520</u> | <u>71,773</u> | <u>1,092,416</u> |
| Expenses | | | | | | | |
| Salaries | - | - | - | - | - | 34,869 | 34,869 |
| Fringe benefits | - | - | - | - | - | 21,517 | 21,517 |
| Indirect costs | - | - | - | - | - | 15,286 | 15,286 |
| Travel | - | - | - | - | - | - | - |
| Other expense | - | - | - | - | - | 102 | 102 |
| Program costs | - | - | - | - | - | - | - |
| Pass-through grants | 2,356 | 76,244 | 227,761 | 243,762 | 470,520 | (1) | 1,020,642 |
| Capital Outlays | - | - | - | - | - | - | - |
| Total Expenses | <u>2,356</u> | <u>76,244</u> | <u>227,761</u> | <u>243,762</u> | <u>470,520</u> | <u>71,773</u> | <u>1,092,416</u> |
| Net Change in Fund Balances | - | - | - | - | - | - | - |
| 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> | <u>-</u> |
| Fund Balances, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Indian Nations Council of Governments
Combining Balance Sheets
Clean Cities Funds
June 30, 2023

| Assets | ODOC | EE & RE | SSEP Revolving Loan | All Other Clean Cities Cities Funds | Total Clean Cities Funds |
|---------------------------------------|------------------|--------------------|--------------------------------|--|-------------------------------------|
| Cash | \$ - | \$ - | \$ 970,658 | \$ 8,399 | \$ 979,057 |
| Investments | - | - | - | - | - |
| Accounts receivable | 17,762 | 27,500 | - | 5,400 | 50,662 |
| Due from Other Fund | - | - | - | - | - |
| Prepaid Expenses | - | - | - | - | - |
| Total Assets | <u>17,762</u> | <u>27,500</u> | <u>970,658</u> | <u>13,799</u> | <u>1,029,719</u> |
| Liabilities | | | | | |
| Accounts payable and Accrued exp. | - | - | 22,420 | (1) | 22,419 |
| Due to other fund | 17,762 | 27,500 | 12,680 | 5,400 | 63,342 |
| Unearned revenue | - | - | 27,163 | 8,400 | 35,563 |
| Total Liabilities | <u>17,762</u> | <u>27,500</u> | <u>62,263</u> | <u>13,799</u> | <u>121,324</u> |
| Fund Balance | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | - | - | 908,395 | - | 908,395 |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total Fund Balance | <u>-</u> | <u>-</u> | <u>908,395</u> | <u>-</u> | <u>908,395</u> |
| Total Liabilities and Fund Balance | <u>\$ 17,762</u> | <u>\$ 27,500</u> | <u>\$ 970,658</u> | <u>\$ 13,799</u> | <u>\$ 1,029,719</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, 2023

| Revenues | ODOC | EE & RE | SSEP Revolving Loan Loan | All Other Clean Cities Funds | Total Clean Cities Funds |
|--|---------------|--------------------|---|---|-------------------------------------|
| Federal grants | \$ 61,226 | \$ 81,875 | \$ 120,984 | \$ 5,858 | \$ 269,943 |
| State grants and appropriations | - | - | - | - | - |
| Local charges and services | - | 2,289 | - | 90,957 | 93,246 |
| Members' dues and Assessments | - | - | - | - | - |
| Interest revenue | - | - | 35,148 | - | 35,148 |
| Match revenue | 15,406 | 45,219 | - | 124,031 | 184,656 |
| Total Revenues | <u>76,632</u> | <u>129,383</u> | <u>156,132</u> | <u>220,846</u> | <u>582,993</u> |
| Expenses | | | | | |
| Salaries | 30,391 | 58,245 | - | 75,075 | 163,711 |
| Fringe benefits | 18,753 | 35,941 | - | 46,328 | 101,022 |
| Indirect costs | 13,323 | 25,534 | - | 32,912 | 71,769 |
| Travel | - | 6,606 | - | 217 | 6,823 |
| Other expense | 3,665 | 3,057 | 2,499 | 5,738 | 14,959 |
| Contracts | 10,500 | - | - | 60,576 | 71,076 |
| Pass-through grants | - | - | - | - | - |
| Capital Outlays | - | - | - | - | - |
| Total Expenses | <u>76,632</u> | <u>129,383</u> | <u>2,499</u> | <u>220,846</u> | <u>429,360</u> |
| Net Change in Fund Balances | - | - | 153,633 | - | 153,633 |
| Principal received on notes receivable | - | - | - | - | - |
| Change in OPEB Obligation | - | - | - | - | - |
| Fund Balances, Beginning of Year | <u>-</u> | <u>-</u> | <u>754,762</u> | <u>-</u> | <u>754,762</u> |
| Fund Balances, End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 908,395</u> | <u>\$ -</u> | <u>\$ 908,395</u> |

Indian Nations Council of Governments

Schedule of Indirect Costs

June 30, 2023

| | Indirect Costs |
|----------------------------------|---------------------------|
| Indirect Salaries | \$ 511,717 |
| Employee Benefits | 315,767 |
| Indirect Personnel Costs | <u>827,484</u> |
| Accounting & Audit | 23,500 |
| Contract Services | 40,767 |
| Computer Contract Services | 89,032 |
| Rental of office space | 8,475 |
| Rental of office equipment | 2,828 |
| Travel | 5,032 |
| Lodging | 5,535 |
| Luncheons & meeting | 1,808 |
| Training & Tuition | 9,301 |
| Depreciation & amortization | 318,836 |
| Consumable supplies | 20,535 |
| Insurance | 40,221 |
| Reproduction | 19,412 |
| Repair & Maint. Office Equipment | 1,461 |
| Vehicle Expense | 3,794 |
| Recruitment | 763 |
| Moving Expense | 33,173 |
| Telephone | - |
| Postage & freight | 4,899 |
| Bank Service Charge | 50 |
| Publications | 720 |
| Dues | - |
| Professional Dues | 9,130 |
| Interest Expense | 130,938 |
| Computer | 4,724 |
| Other | 790 |
| Total Indirect Costs | <u>\$ 1,603,208</u> |

The actual indirect cost reimbursement rate would have been 36.72% for the year ended June 30, 2023, 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, 2023

| Year | INCOG's proportion of net pension liability | INCOG's proportionate share of net pension liability | INCOG's 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 |
|------|--|---|----------------------------|---|--|
| 2023 | 2.7251% | \$ 7,640,274 | \$ 3,282,974 | 233% | 67.16% |
| 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, 2023

| Year | Contractually Required Contributions | Actual Contributions | Contribution Deficiency (Excess) | Covered Payroll | Actual Contributions as a Percentage of Covered Payroll |
|------|--|-------------------------|--|--------------------|---|
| 2023 | \$ 710,709 | \$ 710,709 | \$ - | \$ 3,282,974 | 21.65% |
| 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, 2023

| 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 |
|------|---|--|------------------------------------|--|---|
| 2023 | 2.3405% | \$ 131,244 | \$ 3,282,974 | 4.0% | 0.00% |
| 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, 2023

| Year | Contractually Required Contributions | Actual Contributions | Contribution Deficiency (Excess) | Covered Payroll | Actual Contributions as a Percentage of Covered Payroll |
|------|--|-------------------------|--|--------------------|---|
| 2023 | \$ 7,160 | \$ 7,160 | \$ - | \$ 3,282,974 | 0.22% |
| 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



**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, 2023, and the related notes to the financial statements, which collectively comprise INCOG's basic financial statements, and have issued our report thereon dated March 5, 2024.

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.

Hick & Company, PC

Tulsa, Oklahoma
March 5, 2024





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' (INCOG) 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 INCOG's major federal programs for the year ended June 30, 2023. 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, 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, 2023.

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 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 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 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 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 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 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
March 5, 2024



Indian Nations Council of Governments
Schedule of Federal Awards
June 30, 2023

| Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Expenditures | Subrecipient Expenditures |
|---|--|---|--------------|------------------------------|
| FEDERAL PROGRAMS | | | | |
| <u>National Park Service, Department of the Interior</u> | | | | |
| Pass-Through Program From: | | | | |
| Oklahoma Historical Society | 15.904 | 21-608 | \$ 24,152 | \$ - |
| | | 22-608 | 14,320 | - |
| | | | 38,472 | - |
| <u>U. S. Department of Transportation</u> | | | | |
| Direct Program - | | | | |
| Section 5310 | 20.513 | OK-2022-006-00 | 572,708 | 509,590 |
| | | OK-2018-008-00 | 14,506 | 14,506 |
| | | OK-2019-006-00 | 21,724 | 21,724 |
| | | OK-2020-004-00 | 55,546 | 55,546 |
| | | OK-2021-006-00 | 60,234 | 60,234 |
| | | OK-2021-010-00 | 225,489 | 219,974 |
| | | OK-2023-008-00 | 22,596 | 8,647 |
| <i>Subtotal Transit Services Program Cluster</i> | | | 972,803 | 890,221 |
| Pass-Through Program From: | | | | |
| Oklahoma Department of Transportation | | | | |
| Long Term Transportation Planning - | 20.505 | FTA5303-TP19(005) | 219,175 | - |
| | 20.205 | PL 0060 (047) IL | 1,017,934 | - |
| Congestion Mitigation-Air Quality (CMAQ) | | CMAQ-272E(348) | 1,004,750 | 684,302 |
| | | CMAQ-272E(209) | 89,288 | 89,288 |
| <i>Subtotal</i> | | | 2,331,147 | 773,590 |
| INCOG Pedestrian Bicyclist Safety Program | 20.600 | PS-21-03-02-07 | 85,373 | - |
| <i>Subtotal</i> | | | 2,416,520 | 773,590 |
| Total U.S. Department of Transportation | | | 3,389,323 | 1,663,811 |
| <u>National Highway Traffic Safety Admin and National Telecommunication & Information Admin</u> | | | | |
| Pass-Through Program From: | | | | |
| Oklahoma Dept. of Emergency Mgmt. and Homeland Security | 20.616 | F305203 | - | - |
| | | | - | - |
| <u>U. S Department of Energy</u> | | | | |
| Direct Program - | | | | |
| Clean Cities Outreach | 81.086 | DE-EE0007455 | 81,875 | - |
| <i>Subtotal</i> | | | \$ 81,875 | \$ - |

(Continued)

Indian Nations Council of Governments
Schedule of Federal Awards
June 30, 2023
(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: | | | | |
| East Texas Clean Fuels Coalition | | | | |
| Empower Workplace Charging | | DE-DD009866 | \$ 5,400 | \$ - |
| Center for Sustainable Energy | | DE-EE0008473 | 457 | - |
| <i>Subtotal</i> | | | 5,857 | - |
| Oklahoma Department of Commerce - | | | | |
| Revolving Loan (ARRA) | 81.041 | Beginning Balance | 878,819 | - |
| | | Activity | (118,485) | - |
| | | Ending Balance | 760,334 | - |
| | | Revolving Loan Admin | - | - |
| State Energy Program | 81.041 | 18219 SEP 21 | 11,226 | - |
| | | 18728 SEP 22 | 50,000 | - |
| <i>Subtotal</i> | | | 61,226 | - |
| Total U.S. Department of Energy | | | 30,473 | - |
| <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 | 883,160 | 631,173 |
| Area Agency on Aging Title III Part C | 93.045 | 45190005 | 1,853,197 | 1,746,688 |
| Area Agency on Aging Title III NSIP | 93.053 | 45190005 | 143,078 | 143,078 |
| <i>Subtotal Aging Cluster</i> | | | 2,879,435 | 2,520,939 |
| <i>Other Programs</i> | | | | |
| Area Agency on Aging Title III Part D | 93.043 | 45190005 | 62,220 | 62,220 |
| Area Agency on Aging Title III Part E | 93.052 | 45190005 | 415,939 | 386,476 |
| Area Agency on Aging Title VII | 93.041 | 45190005 | 9,878 | - |
| <i>Subtotal</i> | | | 488,037 | 448,696 |
| Medicare Improvements for Patients and Providers (MIPPA) | 93.518 | PA# 20009307 | 10,800 | - |
| <i>Subtotal</i> | | | 10,800 | - |
| Total U.S. Department of Health and Human Services | | | 3,378,272 | 2,969,635 |
| <u>U.S. Department of Commerce</u> | | | | |
| Direct Program - | | | | |
| Title II, Section 203 Planning Assistance: Continuation Planning | 11.302 | ED20AUS3020012 | 85,774 | - |
| | 11.302 | ED23AUS3020009 | 19,077 | - |
| Title II, Section 209 and 703 Public Works | 11.307 | ED20AUS3070082 | 139,659 | - |
| | 11.307 | ED20AUS3070037 | 219,934 | - |
| Total U.S. Department of Commerce | | | 464,444 | - |
| Total Expenditures of Federal Awards | | | \$ 7,300,984 | \$ 4,633,446 |

Indian Nations Council of Governments
Notes to Schedule of Expenditures of Federal Awards
June 30, 2023

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 (INCOG) for the year ended June 30, 2023. 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 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

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, 2023

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, 2023 period.

Findings Required to be Reported by the Uniform Guidance

None to report for the June 30, 2023 period.

Indian Nations Council of Governments
Summary Schedule of Prior Audit Findings
June 30, 2023

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.