

Eastern Oklahoma Development District

Financial Statements
with Independent Auditors' Report

June 30, 2021 and 2020



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

Eastern Oklahoma Development District

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Business Advisors

Independent Auditors' Report

Board of Directors
Eastern Oklahoma Development District
Muskogee, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Eastern Oklahoma Development District (EODD), Oklahoma, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Eastern Oklahoma Development District, Oklahoma, as of June 30, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the EODD's basic financial statements. The combining statements and the schedule of expenditures of federal awards are presented for purposes of additional analysis and are not required as part of the basic financial statements. The combining statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 combining statements and the schedule of expenditures of federal awards are 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 7, 2022 on our consideration of the Eastern Oklahoma Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eastern Oklahoma Development District's internal control over financial reporting and compliance.

Hick & Company, PC

Tulsa, Oklahoma
March 7, 2022



Eastern Oklahoma Development District
Management's Discussion and Analysis
For the Year Ended June 30, 2021 and 2020

This section of Eastern Oklahoma Development District's (the District) financial statements presents management's discussion and analysis of the District's financial performance during the year ended June 30, 2021 and 2020. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and current known facts, it should be read in conjunction with the District's basic financial statements and footnotes. The overview of the financial statements and financial analysis is presented for fiscal year 2021, with fiscal years 2020 and 2019.

Financial Analysis of the District as a Whole

The basic financial statements of the District are the Government Wide Statement of Net Position and Statement of Activities. The Statement of Financial Net Position presents the financial position of the District at June 30, 2021 and 2020. The Statement of Activities summarizes the District's financial results by activity for the years ended June 30, 2021 and 2020. The Fund financial statements show the balance sheets and the changes in fund balance for the individual major funds of the District and the total of the non-major funds.

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

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

Statement of Net Assets

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

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

Total assets of the District decreased to \$3,703,365 in FY 2021 from \$3,815,061 in FY 2020. Total assets of the District increased to \$3,815,061 in FY 2020 from \$3,529,798 in FY 2019.

Eastern Oklahoma Development District
Management's Discussion and Analysis
For the Year Ended June 30, 2021 and 2020

Statement of Net Assets (Continued)

Following is a comparison of the summarized financial position, net assets, and capital assets of the District at June 30, 2021, 2020, and 2019:

	2021 <i>(000's)</i>	2020 <i>(000's)</i>	2019 <i>(000's)</i>
Assets			
Cash	\$ 2,563	\$ 2,911	\$ 2,793
Accounts Receivable	986	772	587
Due from Other Fund	94	82	150
Due from EODD Trust	50	50	50
Capital Assets, Net	0	0	0
Total Assets	<u>3,703</u>	<u>3,815</u>	<u>3,529</u>
Liabilities			
Accounts Payable	421	854	506
Due to Other Fund	94	82	100
Deferred Revenue	1,851	1,990	2,008
Total Liabilities	<u>2,366</u>	<u>2,926</u>	<u>2,614</u>
Net Assets			
Investment in Capital Assets	0	0	0
Unrestricted	1,328	889	916
Total Net Assets	<u>\$ 1,337</u>	<u>\$ 889</u>	<u>\$ 916</u>

Statement of Revenues, Expenses, and Changes in Net Assets

Revenues includes Federal and state grants that are renewable each year. These revenues increased by \$678,052 increased by \$536,360 in 2020, and decreased by \$398,119 in 2019. Local grants remained consistent over the past 3 years. Other revenues of the District remained consistent over the past 3 years.

The District's operating expenses are classified by natural classification, including pass-through grants, employee compensation, fringe benefits, contractual services, etc. In FY 2021, operating expenses increased by \$211,312 and in FY 2020 increased by \$591,227. All other operating expense experienced slight decreases. In FY 2019, operating expenses decreased by \$332,422. All other operating expense experienced slight decreases.

Eastern Oklahoma Development District
 Management's Discussion and Analysis
 For the Year Ended June 30, 2021 and 2020

Statement of Revenues, Expenses, and Changes in Net Assets (Continued)

Following is a comparison of operating results for the years ended June 30, 2021, 2020, and 2019:

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

	2021 <i>(000's)</i>	2020 <i>(000's)</i>	2019 <i>(000's)</i>
Operating Revenues			
Federal Grants	\$ 2,201	\$ 1,569	\$ 1,600
State Grants	2,989	2,918	2,350
Local Grants	76	96	94
Other	66	71	73
	<hr/>	<hr/>	<hr/>
Total	5,332	4,654	4,118
	<hr/>	<hr/>	<hr/>
Operating Expenses			
Pass-through Grants	3,455	3,528	3,071
Wages	584	492	429
Contract Labor	225	167	152
Fringe Benefits	190	158	143
Indirect Costs	146	149	141
Other	292	188	154
	<hr/>	<hr/>	<hr/>
Total	4,893	4,682	4,090
	<hr/>	<hr/>	<hr/>
Increase in Net Assets	439	(27)	27
Net Assets at Beginning of Year	889	916	889
	<hr/>	<hr/>	<hr/>
Net Assets at end of Year	\$ 1,328	\$ 889	\$ 916
	<hr/>	<hr/>	<hr/>

Eastern Oklahoma Development District
Management's Discussion and Analysis
For the Year Ended June 30, 2021 and 2020

Statement of Cash Flows

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

Following is a comparison of cash flows for the years ended June 30, 2021, 2020, and 2019:

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash Provided (Used) by			
Operating Activities	\$ 10,605	\$ 7,252	\$ 2,442
Financing Activities	-	-	-
Investing Activities	-	(21,660)	-
Net Increase (Decrease) in cash	<u>2,402</u>	<u>(14,408)</u>	<u>2,442</u>
Cash at beginning of Year	<u>9,109</u>	<u>23,517</u>	<u>21,075</u>
Cash at End of Year	<u>\$ 19,714</u>	<u>\$ 9,109</u>	<u>\$ 23,517</u>

Conclusion

The Fiscal Year FY2021 began with the Eastern Oklahoma Development District (EODD) and similar organizations across Oklahoma and the United States operating under adverse conditions created by the COVID-19 Pandemic. EODD and the Oklahoma Association of Regional Councils (OARC) have developed a Legislative Agenda to put forth to Oklahoma Legislators to assist with addressing some issues created by the COVID-19 Pandemic. One of the issues addresses the Oklahoma Open Meeting Act, with proposed changes to allow for virtual meetings via ZOOM, Microsoft TEAMS, and/or other virtual media systems. The EODD Board of Directors have been meeting using a hybrid platform of some members present and other attending via a ZOOM meeting room. This was allowed by temporary legislative action and Oklahoma's Governor declaring a "State of Emergency" due to the COVID-19 Pandemic. The provision to allow for the virtual meetings expires November 15, 2020. EODD will continue to function without a loss of service to our membership and people we serve by maintaining limited office staff and other staff teleworking. There were some electronic and communication adjustments made to our phone answering system to allow for off-site phone communications in case there were a need to temporarily close EODD's office. EODD will continue to evolve as the COVID-19 Pandemic continues and EODD will be better prepared for the next pandemic or other emergency disaster declaration.

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

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

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

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

Eastern Oklahoma Development District
Statement of Net Position
June 30, 2020

	Government	Business-	Total
Assets	Activities	Type	Activities
Cash	\$ 2,910,977	\$ 9,109	\$ 2,920,086
Accounts receivable	772,351	-	772,351
Prepaid expenses	227	-	227
Due from other funds	81,506	-	81,506
Due from EODD Trust	50,000	-	50,000
Capital assets, net	-	135,276	135,276
Total Assets	<u>3,815,061</u>	<u>144,385</u>	<u>3,959,446</u>
 Liabilities			
Accounts payable	854,440	-	854,440
Due to other funds	81,506	50,000	131,506
Deferred revenue	1,990,240	-	1,990,240
Total Liabilities	<u>2,926,186</u>	<u>50,000</u>	<u>2,976,186</u>
 Net Position			
Net Investment in capital assets	-	135,276	135,276
Unrestricted	888,875	(40,891)	847,984
Total Net Position	<u>\$ 888,875</u>	<u>\$ 94,385</u>	<u>\$ 983,260</u>

Eastern Oklahoma Development District
Statement of Activities
For the Year Ended June 30, 2020

Function/Programs	Program Revenue				Net Revenue (Expense) and Changes in Net Position		
	Program Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Government Activities	Business-Type Activities	
Primary Government							
Government Activities							
General Government	\$ 18,325	\$ 57,541	\$ -	\$ -	\$ 39,216	\$ -	\$ 39,216
Aging Services	2,615,300	-	2,534,254	-	(81,046)	-	(81,046)
Rural Economic Action Plan	1,308,016	86,983	1,248,469	-	27,436	-	27,436
Economic Development	451,274	8,618	426,171	-	(16,485)	-	(16,485)
Community Development	288,763	-	278,268	-	(10,495)	-	(10,495)
Total Government Activities	<u>4,681,678</u>	<u>153,142</u>	<u>4,487,162</u>	<u>-</u>	<u>(41,374)</u>	<u>-</u>	<u>(41,374)</u>
Business-Type Activities							
Building Trust	<u>26,768</u>	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,768)</u>	<u>(2,768)</u>
Total Business-Type Activities	<u>26,768</u>	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,768)</u>	<u>(2,768)</u>
Total Primary Government Activities	<u>\$ 4,708,446</u>	<u>\$ 177,142</u>	<u>\$ 4,487,162</u>	<u>\$ -</u>	<u>(41,374)</u>	<u>(2,768)</u>	<u>(44,142)</u>
General Revenues:							
Interest Income					13,985	24	14,009
Total General Revenues					<u>13,985</u>	<u>24</u>	<u>14,009</u>
Change in Net Position					(27,389)	(2,744)	(30,133)
Net Position, beginning of year					916,264	97,129	1,013,393
Net Position, end of year					<u>\$ 888,875</u>	<u>\$ 94,385</u>	<u>\$ 983,260</u>

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

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

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

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

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

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

Total fund balances - governmental funds	\$ 1,328,226
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$66,441.	<u>8,803</u>
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Net position of governmental activities	<u>\$ 1,337,029</u>
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**Reconciliation of the Statement of Revenues,
 Expenditures and Changes in fund Balance of
 Governmental funds to the Statement of Activities**

Net change in fund balance - governmental funds	\$ 439,351
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays and issue costs as expenditures, while governmental activities report depreciation and amortization expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	9,495
Depreciation expense	(692)
Capital asset disposition, net	<u>-</u>

Change in Net Position - governmental activities	<u>\$ 448,154</u>
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Eastern Oklahoma Development District
Governmental Funds Balance Sheet
June 30, 2020

	General Funds	Area Agency on Aging	Rural Economic Action Plan	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 828,487	\$ -	\$ 1,953,813	\$ 128,677	\$ 2,910,977
Accounts receivable	-	497,040	153,302	122,009	772,351
Prepaid expense	227	-	-	16,166	16,393
Due from Other Fund	-	65,340	-	-	65,340
Due from EODD Trust	50,000	-	-	-	50,000
Total Assets	<u>828,714</u>	<u>562,380</u>	<u>2,107,115</u>	<u>266,852</u>	<u>3,815,061</u>
Liabilities					
Accounts payable		548,576	120,189	129,614	798,379
Due to other fund	81,506	-	-	-	81,506
Deferred revenue	-	-	1,937,787	52,453	1,990,240
Total Liabilities	<u>81,506</u>	<u>548,576</u>	<u>2,057,976</u>	<u>182,067</u>	<u>2,870,125</u>
Fund Balance					
Unrestricted	<u>741,147</u>	<u>13,804</u>	<u>49,139</u>	<u>84,785</u>	<u>888,875</u>
Total Fund Balance	<u>741,147</u>	<u>13,804</u>	<u>49,139</u>	<u>84,785</u>	<u>888,875</u>
Total Liabilities and Fund Balance	<u>\$ 822,653</u>	<u>\$ 562,380</u>	<u>\$ 2,107,115</u>	<u>\$ 266,852</u>	<u>\$ 3,759,000</u>

Eastern Oklahoma Development District
 Governmental Funds Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Year Ended June 30, 2020

	<u>General Funds</u>	<u>Area Agency on Aging</u>	<u>Rural Economic Action Plan</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Federal grants	\$ -	\$ 1,469,374	\$ -	\$ 100,000	\$ 1,569,374
State grants and appropriations	-	1,064,880	1,248,469	604,438	2,917,787
Local charges and services	560	-	86,983	8,618	96,161
Members' dues and assessments	56,981	-	-	-	56,981
Investment income	1,639	-	12,347	-	13,986
Match revenue	(107,121)	92,331	-	14,790	-
Total Revenues	<u>(47,941)</u>	<u>2,626,585</u>	<u>1,347,799</u>	<u>727,846</u>	<u>4,654,289</u>
Expenses					
Salaries	14,864	290,339	16,750	169,723	491,676
Contract labor	-	-	19,845	146,894	166,739
Fringe benefits	-	97,113	4,299	56,537	157,949
Indirect costs	-	65,994	6,306	77,144	149,444
Travel	-	22,416	-	7,537	29,953
Other expenses	3,461	28,128	-	11,399	42,988
Respite	-	114,861	-	-	114,861
Pass-through grants	-	1,996,449	1,260,816	270,803	3,528,068
Total Expenses	<u>18,325</u>	<u>2,615,300</u>	<u>1,308,016</u>	<u>740,037</u>	<u>4,681,678</u>
Net Change in Fund Balances	(66,266)	11,285	39,783	(12,191)	(27,389)
Fund Balances, Beginning of Year	<u>807,413</u>	<u>2,519</u>	<u>9,356</u>	<u>96,976</u>	<u>916,264</u>
Fund Balances, End of Year	<u>\$ 741,147</u>	<u>\$ 13,804</u>	<u>\$ 49,139</u>	<u>\$ 84,785</u>	<u>\$ 888,875</u>

Eastern Oklahoma Development District
 Reconciliation of Governmental Funds and
 Government-wide Financial Statements
 Year Ended June 30, 2020

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

Total fund balances - governmental funds	\$ 888,875
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$65,749.	-
Net position of governmental activities	\$ 888,875

**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	\$ (27,389)
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	-
Depreciation expense	-
Capital asset disposition, net	-
Change in Net Position - governmental activities	\$ (27,389)

Eastern Oklahoma Development District
 Statements of Net Position
 Proprietary Funds
 June 30, 2021 and 2020

	2021	2020
Assets		
Cash	\$ 19,714	\$ 9,109
Capital assets, net	125,669	135,276
Total Assets	145,383	144,385
Liabilities		
Accounts payable	342	-
Due to other fund	50,000	50,000
Total Liabilities	50,342	50,000
Net Position		
Net investment in capital assets	125,669	135,276
Unrestricted	(30,628)	(40,891)
Total Net Position	\$ 95,041	\$ 94,385

Eastern Oklahoma Development District
 Statements of Revenues, Expense, and Changes in Net Position
 Proprietary Funds
 Years Ended June 30, 2021 and 2020

	2021	2020
Operating Revenues		
Rent income	\$ 24,000	\$ 24,000
Interest income	2	24
Total Operating Revenues	24,002	24,024
Operating Expenses		
Depreciation	9,607	9,996
Other expenses	13,739	16,772
Total Operating Expenses	23,346	26,768
Changes in Net Position	656	(2,744)
Net Position, beginning of year	94,385	97,129
Net Position, end of year	\$ 95,041	\$ 94,385

Eastern Oklahoma Development District
Statements of Cash Flows
Proprietary Funds
Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Receipts of rent	\$ 24,000	\$ 24,000
Receipts of interest	2	24
Payment to vendors	<u>(13,397)</u>	<u>(16,772)</u>
Net Cash Provided by Operating Activities	<u>10,605</u>	<u>7,252</u>
Cash Flows From Investing Activities		
Purchase of fixed assets	<u>-</u>	<u>(21,660)</u>
Net Cash Used in Investing Activities	<u>-</u>	<u>(21,660)</u>
Net Change in Cash	10,605	(14,408)
Cash, beginning of year	<u>9,109</u>	<u>23,517</u>
Cash, end of year	<u><u>\$ 19,714</u></u>	<u><u>\$ 9,109</u></u>
 Reconciliation of Increase in Fund Balance to Cash Used in Operating Activities:		
Change in net position	\$ 656	\$ (2,744)
Adjustment to reconcile change in net position to cash provided by (used in) operating activities:		
Depreciation expense	9,607	9,996
Change in:		
Increase in accounts payable	<u>342</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u><u>\$ 10,605</u></u>	<u><u>\$ 7,252</u></u>

Eastern Oklahoma Development District

Notes to Financial Statements

June 30, 2021 and 2020

Note 1: Summary of Significant Accounting Policies

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

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

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

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

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

Discretely Presented Component Unit

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

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

Eastern Oklahoma Development District

Notes to Financial Statements

June 30, 2021 and 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

Cash and Cash Equivalents

The Organization defines cash and cash equivalents to be all cash and certificates of deposit with original maturities of three months or less. Cash equivalents of \$2,583,145 and \$2,920,086 as of June 30, 2021 and 2020, respectively, were invested with a major local financial institution in a sweep repo account, which invests in treasury obligations.

Deposits and Investments

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

Investments

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

Land, Building, and Equipment

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

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

Eastern Oklahoma Development District

Notes to Financial Statements

June 30, 2021 and 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Annual Budget

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

Allocated Expenses

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

Concentrations of Credit Risk

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

Management Estimates

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

Subsequent Events

Subsequent events have been evaluated through March 7, 2022, which is the date the financial statements were issued.

Note 2: Cash and Investments

Deposits with banks and financial institutions are carried at cash value. The table presented below is designed to disclose the level of custody credit risk assumed by the Organization based upon how its deposits were insured or secured with collateral at June 30, 2021 and 2020. The categories of credit risk are defined as follows:

Eastern Oklahoma Development District

Notes to Financial Statements

June 30, 2021 and 2020

Note 2: Cash and Investments (Continued)

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

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

Category 3 - Deposits which are not collateralized or insured.

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

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

A summary of the deposits at June 30, 2020 consisted of the following:

Type of Deposits	June 30, 2020				
	Total Bank Balance	Custody (Category 1)	Credit Risk (Category 2)	Uninsured (Category 3)	Carrying Value
<i><u>Demand Deposits</u></i>					
Eastern Oklahoma Development District	\$ 2,728,897	\$ 500,000	\$ 2,228,897	\$ -	\$ 2,910,977
Building Trust Eastern Oklahoma Development Dist.	9,216	9,216	-	-	9,109
Total Deposits	<u>\$ 2,738,113</u>	<u>\$ 509,216</u>	<u>\$ 2,228,897</u>	<u>\$ -</u>	<u>\$ 2,920,086</u>

Eastern Oklahoma Development District

Notes to Financial Statements

June 30, 2021 and 2020

Note 3: Accounts Receivable

Accounts receivable, consisting of advances to subgrantees and local project service contracts, are carried at cost. The Organization did not recognize any allowance for uncollectible amounts at June 30, 2021 or 2020.

Note 4: Amounts Due Between Funds

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

Interfund balances at June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Due to Special Revenue Funds from General Funds	\$ 94,492	\$ 81,506
Due to General Funds from Special Revenue Funds	\$ (94,492)	\$ (81,506)
Due to General Funds from Building Trust Eastern Oklahoma Development District	\$ 50,000	\$ 50,000
Due to Building Trust Eastern Oklahoma Development District from General Funds	\$ (50,000)	\$ (50,000)

Eastern Oklahoma Development District
Notes to Financial Statements
June 30, 2021 and 2020

Note 5: Capital Assets

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

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

Eastern Oklahoma Development District
Notes to Financial Statements
June 30, 2021 and 2020

Note 5: Capital Assets (Continued)

A summary of changes in fixed assets for the year ended June 30, 2020, is as follows:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>Government Activities</u>				
Capital assets:				
Building improvements	\$ 1,900	\$ -	\$ -	\$ 1,900
Furniture and equipment	63,848	-	-	63,848
Total historical cost	<u>65,748</u>	<u>-</u>	<u>-</u>	<u>65,748</u>
Less accumulated depreciation:				
Building improvements	(1,900)	-	-	(1,900)
Furniture and equipment	(63,848)	-	-	(63,848)
Total accumulated depreciation	<u>(65,748)</u>	<u>-</u>	<u>-</u>	<u>(65,748)</u>
Total capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Business-Type Activities</u>				
Capital assets:				
Land	\$ 20,250	\$ -	\$ -	\$ 20,250
Buildings and improvements	234,606	14,850	-	249,456
Furniture and equipment	23,319	6,810	-	30,129
Total historical cost	<u>278,175</u>	<u>21,660</u>	<u>-</u>	<u>299,835</u>
Less accumulated depreciation:				
Buildings and improvements	(132,385)	(8,059)	-	(140,444)
Furniture and equipment	(22,178)	(1,937)	-	(24,115)
Total accumulated depreciation	<u>(154,563)</u>	<u>(9,996)</u>	<u>-</u>	<u>(164,559)</u>
Total capital assets, net	<u>\$ 123,612</u>	<u>\$ 11,664</u>	<u>\$ -</u>	<u>\$ 135,276</u>

Note 6: Retirement Plan

The Organization has a defined contribution 401(k) pension plan covering substantially all of its employees. The Organization makes matching contributions equal to the employee's contribution not to exceed 5% of the employees' gross wages. The contribution during 2021 and 2020 was \$18,696 and \$17,917, respectively.

Note 7: Related Party Transactions

The Organization leases space from the Building Trust Eastern Oklahoma Development District on a month to month basis. Lease expense was \$24,000 for the fiscal years ending June 30, 2021 and 2020.

Eastern Oklahoma Development District

Notes to Financial Statements

June 30, 2021 and 2020

Note 8: Economic Dependency

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

Note 9: Commitments and Contingent Liabilities

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

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

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

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

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

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

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

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

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

Eastern Oklahoma Development District

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	EDA	State Approp	CIP	CENA	Masonic
Assets					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 40,272
Accounts receivable	35,000	379	-	57,120	-
Due from other fund	16,126	-	-	-	-
Total Assets	51,126	379	-	57,120	40,272
Liabilities					
Accounts payable	51,126	379	-	57,120	170
Due to other fund	-	-	-	-	-
Deferred revenue	-	-	-	-	40,102
Total Liabilities	51,126	379	-	57,120	40,272
Fund Balance					
Unrestricted	-	-	-	-	-
Total Fund Balance	-	-	-	-	-
Total Liabilities and Fund Balance	\$ 51,126	\$ 379	\$ -	\$ 57,120	\$ 40,272

Eastern Oklahoma Development District

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Rural Fire	CDBG	Case Mgmt	Total Other Government Funds
Assets				
Cash	\$ 8,932	\$ 79,473	\$ -	\$ 128,677
Accounts receivable	3,419	-	26,091	122,009
Due from other fund	-	-	40	16,166
Total Assets	12,351	79,473	26,131	266,852
Liabilities				
Accounts payable	-	-	20,819	129,614
Due to other fund	-	-	-	-
Deferred revenue	12,351	-	-	52,453
Total Liabilities	12,351	-	20,819	182,067
Fund Balance				
Unrestricted	-	79,473	5,312	84,785
Total Fund Balance	-	79,473	5,312	84,785
Total Liabilities and Fund Balance	\$ 12,351	\$ 79,473	\$ 26,131	\$ 266,852

Eastern Oklahoma Development District
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2020

	<u>EDA</u>	<u>State Approp</u>	<u>CIP</u>	<u>CENA</u>	<u>Masonic</u>
Revenues					
Federal grants	\$ 100,000	\$ -	\$ -	\$ -	\$ -
State grants and appropriations	-	4,545	60,050	218,218	65,882
Local charges and services	-	-	-	-	-
Members' dues and assessments	-	-	-	-	-
Investment income	-	-	-	-	-
Match revenue	8,840	(4,545)	10,495	-	-
Total revenues	<u>108,840</u>	<u>-</u>	<u>70,545</u>	<u>218,218</u>	<u>65,882</u>
Expenses					
Salaries	67,973	-	41,537	7,180	-
Contract labor	-	-	145	-	-
Fringe benefits	19,822	-	15,585	2,126	-
Indirect costs	14,270	-	11,296	1,488	-
Travel	891	-	808	57	-
Other expenses	5,884	-	1,174	60	2,386
Respite	-	-	-	-	-
Pass-through grants	-	-	-	207,307	63,496
Total expenses	<u>108,840</u>	<u>-</u>	<u>70,545</u>	<u>218,218</u>	<u>65,882</u>
Net Change in Fund Balances	-	-	-	-	-
Fund Balances, <i>Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, <i>End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Eastern Oklahoma Development District
Combining Statement of Revenues, Expenses and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2020

	<u>Rural Fire</u>	<u>CDBG</u>	<u>Case Mgmt</u>	<u>Total Other Government Funds</u>
Revenues				
Federal grants	\$ -	\$ -	\$ -	\$ 100,000
State grants and appropriations	67,256	-	188,487	604,438
Local charges and services	-	8,618	-	8,618
Members' dues and assessments	-	-	-	-
Investment income	-	-	-	-
Match revenue	-	-	-	14,790
Total revenues	<u>67,256</u>	<u>8,618</u>	<u>188,487</u>	<u>727,846</u>
Expenses				
Salaries	39,375	12,743	915	169,723
Contract labor	-	-	146,749	146,894
Fringe benefits	14,235	4,016	753	56,537
Indirect costs	9,279	6,306	34,505	77,144
Travel	3,874	1,907	-	7,537
Other expenses	493	1,149	253	11,399
Respite	-	-	-	-
Pass-through grants	-	-	-	270,803
Total expenses	<u>67,256</u>	<u>26,121</u>	<u>183,175</u>	<u>740,037</u>
Net Change in Fund Balances	-	(17,503)	5,312	(12,191)
Fund Balances, <i>Beginning of Year</i>	<u>-</u>	<u>96,976</u>	<u>-</u>	<u>96,976</u>
Fund Balances, <i>End of Year</i>	<u>\$ -</u>	<u>\$ 79,473</u>	<u>\$ 5,312</u>	<u>\$ 84,785</u>



**HINKLE &
COMPANY**
Strategic PC
Business Advisors

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

Board of Directors
Eastern Oklahoma Development District
Muskogee, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Eastern Oklahoma Development District (EODD), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise EODD's basic financial statements, and have issued our report thereon dated March 7, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eastern Oklahoma Development District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eastern Oklahoma Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Eastern Oklahoma Development District's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether EODD's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 2021-001.

Eastern Oklahoma Development District's Response to Findings

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

Purpose of this Report

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

Hick & Company, PC

Tulsa, Oklahoma
March 7, 2022





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Business Advisors

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

Board of Directors
Eastern Oklahoma Development District
Muskogee, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited the Eastern Oklahoma Development District compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a material effect on each of the Eastern Oklahoma Development District's major federal award programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Eastern Oklahoma Development District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Eastern Oklahoma Development District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Eastern Oklahoma Development District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



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

We have audited the financial statements of the EODD as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the EODD's basic financial statements. We issued our report thereon dated March 7, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Hick & Company, PC

Tulsa, Oklahoma
March 7, 2022



Eastern Oklahoma Development District
Schedule of Expenditures of Federal Awards
June 30, 2021

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
FEDERAL PROGRAMS				
<u>U.S. Department of Health and Human Services</u>				
<i>Pass-Through the Oklahoma Department of Human Services</i>		56652		
Special Programs for the Aging				
Title VII	93.041		\$ 6,515	\$ -
Title III, Part B Grants for Supportive Services & Senior Centers	93.044		318,129	204,790
Title III, Part C-1 Nutrition Services	93.045		560,488	510,176
Title III, Part C-2 Nutrition Services	93.045		283,401	260,602
Title III, Part D Disease Prevention and Health Promotion Services	93.043		14,661	14,661
Title III, Part E Care Giver Support	93.052		199,255	173,615
Nutrition Services Incentive Program	93.053		120,728	118,939
Total Aging Cluster			<u>1,503,177</u>	<u>1,282,783</u>
 Total U.S. Department of Health and Human Services			 <u>1,503,177</u>	 <u>-</u>
<u>U.S. Department of Commerce</u>				
Economic Development Planning Assistance	11.301		70,000	-
			<u>\$ 1,573,177</u>	<u>\$ 1,282,783</u>

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

Note A: Basis of Presentation

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

Note B: Summary of Significant Accounting Policies

1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
2. The District has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

Summary of Auditors' Results (Continued)

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$750,000.
9. The District 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

Finding 2021-001 –Internal Control Over Bank Reconciliation

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

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

Effect of Condition: Cash was overstated.

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

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

Findings Required to be Reported in Accordance with the Uniform Guidance

None.

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

Findings Required to be Reported by Government Auditing Standards

None.

Findings Required to be Reported in Accordance with the Uniform Guidance

None.