

**Indian Nations Council of Governments**

**Financial Statements  
with Independent Auditors' Report**

**June 30, 2018 and 2017**



**Indian Nations Council of Governments**  
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**June 30, 2018 and 2017**

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## **Independent Auditors' Report**

Board of Directors  
Indian Nations Council of Governments  
Tulsa, Oklahoma

### **Report on the Financial Statements**

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 years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the INCOG'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 this financial statement 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 this financial statement 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 opinion.

### **Opinion**

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, each major fund, and the aggregate remaining fund information of the Indian Nations Council of Governments as of June 30, 2018 and 2017, 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.

### **Emphasis of a Matter**

As described in Note 13 to the financial statements, Indian Nations Council of Governments restated its beginning net position in the government-wide financial statements to reflect the effects of adopting GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* an accounting principle as promulgated by the Governmental Accounting Standards Board. Our opinions are not modified to respect to this matter.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through v and pension information will be presented to supplement the basic financial statements. Such information, 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 supplemental 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 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.

#### **Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the INCOG'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 February 21, 2019, 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.

Hill & Company, PC

Tulsa, Oklahoma  
February 21, 2019



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, 2018. 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 was less than its liabilities and deferred inflows of resources at the close of the year by (\$ 1,366,672) (net position).
- ❖ As of the close of the current year the Indian Nations Council of Governments' governmental funds reported ending fund balance of \$ 2,716,001. Approximately \$ 2,359,227 is available for spending at the entity's discretion (unassigned fund balance).

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

### **Government-wide financial statements**

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

### **The Statement of Net Position**

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

### **The Statement of Activities**

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

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

**Governmental activities** – All of INCOG's basic services and programs are reported here, including general government, Aging Services, Transportation, Public Safety, Community and

Economic Development, and Environmental and Energy. Contracts with members and other governmental entities, as well as state and federal grants, finance most of these activities.

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

## **Fund Financial Statements**

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

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

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

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

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

## 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, 2018, INCOG's net position increased by \$ 877,134. Net position increased mainly due to a combination of revenue from completion of CDBG-DR projects, an increase in the Energy Revolving Loan project fund balance and a reduction in the pension liability.

Current assets (see Table 1) contain \$ 836,222 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. Deferred revenue also included \$ 251,662 from state energy plan revolving loan program. INCOG has recorded accrued liabilities for compensated absences 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, 2018 and 2017**

	Governmental Activities	
	2018	2017
Current assets	\$ 4,790,288	\$ 5,013,537
Capital and other	1,778,953	1,558,427
Total assets	<u>6,569,241</u>	<u>6,571,964</u>
Deferred outflows of resources	<u>990,131</u>	<u>1,588,054</u>
Current liabilities	2,679,381	3,376,841
Noncurrent liabilities	5,414,024	5,474,556
Total liabilities	<u>8,093,405</u>	<u>8,851,397</u>
Deferred inflows of resources	<u>832,639</u>	<u>1,552,427</u>
Net position:		
Net investment in capital assets	105,216	97,964
Restricted	987,120	987,122
Unrestricted	(2,459,008)	(3,328,892)
Total net position	<u>\$ (1,366,672)</u>	<u>\$ (2,243,806)</u>



## Governmental Activities

Total net position as of June 30, 2017 was \$ (2,243,806). For the year ended June 30, 2018, net position increased by \$ 881,937. Table 2 illustrates the change in net position due to governmental activities. INCOG's three major governmental programs are displayed to provide additional detail for analysis.

The causes for the change in total net position are mainly due to a combination of revenue from completion of CDBG-DR projects, an increase in the Energy Revolving Loan project fund balance and a reduction in the pension liability.

INCOG's Aging Services activities consist of several programs including Area Agency on Aging, CENA, ADRC, MIPPA, and CDC. During the current year, approximately \$ 41,853 of local funds were used to supplement the aging services programs. Federal aging grant funds of \$ 2,188,664 and state aging grant funds totaling \$ 992,527 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 and vehicles and other associated costs. A total of \$ 647,025 in Federal grants were passed through to sub-recipients. Local funds totaling \$ 293,668 were used to supplement the transportation activities.

INCOG continued using a grant from the State of Oklahoma establishing a revolving loan fund for state energy projects. A total of \$ 257,442 in loans were made during the year and set up as a note receivable in the government-wide statement of net position.

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 \$ 44,305 were used to help supplement the costs of these projects and program activities.

**Table 2**  
**Indian Nations Council of Governments**  
**Governmental Activities**  
**June 30, 2018**

	Governmental Activities				
	Aging Services	Transportation	Community & Economic Dev.	All Other Governmental	Total
Program revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ 673,407	\$ 673,407
Grants/contributions	3,752,151	2,550,213	946,819	4,163,396	11,412,579
General revenue	41,853	293,668	44,305	(302,213)	77,613
Total revenues	<u>3,794,004</u>	<u>2,843,881</u>	<u>991,124</u>	<u>4,534,590</u>	<u>12,163,599</u>
Expenses:					
Program expenses	<u>3,794,004</u>	<u>2,843,881</u>	<u>991,124</u>	<u>3,657,456</u>	<u>11,286,465</u>
Total expenses	<u>3,794,004</u>	<u>2,843,881</u>	<u>991,124</u>	<u>3,657,456</u>	<u>11,286,465</u>
Changes in net position:					
Net increase or (decrease)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 877,134</u>	<u>\$ 877,134</u>

## Fund Balance

The *Statement of Revenues, Expenses, and Changes in Fund Balance—Governmental Funds* shows INCOG’s total governmental fund balance increase \$ 552,108 since last year primarily resulting from a combination of revenue from completion of CDBG-DR projects and an increase in the Energy Revolving Loan project fund balance.

### Capital asset information

As of June 30, 2018, INCOG had \$ 105,216 invested in capital assets, which is a net increase from the previous year’s balance of \$ 97,964. Capital assets include furniture and equipment, computer equipment, and vehicles.

**Table 3**  
**Indian Nations Council of Governments**  
**Capital Assets**  
**June 30, 2018 and 2017**  
 (net of depreciation)

	Governmental Activities	
	2018	2017
Furniture and equipment	\$ 11,389	\$ 7,846
Computer equipment	90,444	74,164
Vehicles	3,383	15,954
Capital assets, net	<u>\$ 105,216</u>	<u>\$ 97,964</u>

### Economic factors and funding dependence

As noted previously in this discussion, the State and Federal economies influence INCOG’s overall health. Revenue shortfalls and subsequent budget reductions 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 \$ 1,652,308 and investing resources into strong local programs.

### Contacting INCOG’s Financial Management

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

**Indian Nations Council of Governments**  
**Statement of Net Position**  
**June 30, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
	<b>Government</b>	<b>Government</b>
	<b>Activities</b>	<b>Activities</b>
<b>Assets</b>		
Cash	\$ 3,127,758	3,287,054
Accounts receivable	1,465,353	1,606,427
Prepaid expenses	53,857	53,859
Notes Receivable	1,068,643	933,263
Due to other fund	748,414	593,397
Capital assets, net	105,216	97,964
Total Assets	<u>6,569,241</u>	<u>6,571,964</u>
<b>Deferred Outflows of Resources</b>		
Deferred amounts from pensions	953,757	1,560,494
Deferred amounts from OPEB	36,374	27,560
Total Deferred Outflows of Resources	<u>990,131</u>	<u>1,588,054</u>
<b>Liabilities</b>		
Accounts payable and accrued expense	867,592	831,465
Due from other fund	748,414	593,397
OPEB Obligation	164,402	139,913
Net pension liability	5,001,269	5,078,138
Deferred revenue	1,311,728	2,208,484
Total Liabilities	<u>8,093,405</u>	<u>8,851,397</u>
<b>Deferred Inflows of Resources</b>		
Deferred amounts from pensions	824,043	1,542,551
Deferred amounts from OPEB	8,596	9,876
Total Deferred Inflows of Resources	<u>832,639</u>	<u>1,552,427</u>
<b>Net Position</b>		
Net Investment in capital assets	105,216	97,964
Restricted for:		
Contractual	1,068,643	933,263
Nonexpendable	53,857	53,859
Unrestricted	(2,594,388)	(3,328,892)
Total Net Position	<u>\$ (1,366,672)</u>	<u>\$ (2,243,806)</u>

**Indian Nations Council of Governments**  
**Statement of Activities**  
**Year Ended June 30, 2018**

	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Program Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities	Business-Type Activities	Total
<b>Government activities</b>							
General government	\$ 1,065,788	\$ 673,407	\$ 2,174,449	\$ -	\$ 1,782,068	\$ -	\$ 1,782,068
Aging Services	3,794,004	-	3,752,151	-	(41,853)	-	(41,853)
Transportation Services	2,843,881	-	2,550,213	-	(293,668)	-	(293,668)
Rural Economic Action Plan	879,014	-	869,446	-	(9,568)	-	(9,568)
Community and Economic Development	112,110	-	77,373	-	(34,737)	-	(34,737)
Public Safety	416,017	-	-	-	(416,017)	-	(416,017)
Enviromental and Energy	2,175,651	-	1,988,947	-	(186,704)	-	(186,704)
Total Government Activities	11,286,465	673,407	11,412,579	-	799,521	-	799,521
Total Activities	<u>\$ 11,286,465</u>	<u>\$ 673,407</u>	<u>\$ 11,412,579</u>	<u>\$ -</u>	<u>\$ 799,521</u>	<u>\$ -</u>	<u>\$ 799,521</u>
<b>General revenues:</b>							
Membership Dues					48,612	-	48,612
Interest Income					29,001	-	29,001
Total general revenues					<u>77,613</u>	<u>-</u>	<u>77,613</u>
<b>Change in Net Position</b>					877,134	-	877,134
<b>Net Position - beginning of year, as restated</b>					(2,243,806)	-	(2,243,806)
<b>Net Position - ending of year</b>					<u>\$ (1,366,672)</u>	<u>\$ -</u>	<u>\$ (1,366,672)</u>

**Indian Nations Council of Governments**  
**Statement of Activities**  
**Year Ended June 30, 2017**

	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Program Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Government Activities	Business-Type Activities	Total
<b>Government activities</b>							
General government	\$ 1,357,252	\$ 677,469	\$ 2,055,032	\$ -	\$ 1,375,249	\$ -	\$ 1,375,249
Aging Services	3,936,799	-	3,888,248	-	(48,551)	-	(48,551)
Transportation Services	2,372,605	-	2,107,942	-	(264,663)	-	(264,663)
Rural Economic Action Plan	408,537	-	402,854	-	(5,683)	-	(5,683)
Community and Economic Development	51,742	-	77,633	-	25,891	-	25,891
Public Safety	426,764	-	42,962	-	(383,802)	-	(383,802)
Environmental and Energy	2,072,489	-	1,822,536	-	(249,953)	-	(249,953)
Total Government Activities	10,626,188	677,469	10,397,207	-	448,488	-	448,488
Total Government	<u>\$ 10,626,188</u>	<u>\$ 677,469</u>	<u>\$ 10,397,207</u>	<u>\$ -</u>	<u>\$ 448,488</u>	<u>\$ -</u>	<u>\$ 448,488</u>
General revenues:							
Membership Dues					44,900	-	44,900
Interest Income					11,895	-	11,895
Total general revenues					<u>56,795</u>	<u>-</u>	<u>56,795</u>
<b>Change in Net Position</b>					505,283	-	505,283
<b>Net Position - beginning of year, as restated</b>					<u>(2,749,089)</u>	<u>-</u>	<u>(2,749,089)</u>
<b>Net Position - ending of year, as restated</b>					<u>\$ (2,243,806)</u>	<u>\$ -</u>	<u>\$ (2,243,806)</u>

**Indian Nations Council of Governments**  
**Governmental Funds Balance Sheet**  
**June 30, 2018**

	<b>General Funds</b>	<b>Clean Cities Fund</b>	<b>Aging Services Fund</b>	<b>Rural Economic Action Plan</b>	<b>Transportation Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>							
Cash	\$ 1,652,308	\$ 579,614	\$ 94,001	\$ 654,646	\$ 17,727	\$ 129,461	\$ 3,127,757
Accounts receivable	101,803	11,250	719,887	181,576	351,735	99,102	1,465,353
Prepaid expense	53,857	-	-	-	-	-	53,857
Due from Other Fund	748,415	-	-	-	-	-	748,415
Deposits	-	-	-	-	-	-	-
Total Assets	<u>2,556,383</u>	<u>590,864</u>	<u>813,888</u>	<u>836,222</u>	<u>369,462</u>	<u>228,563</u>	<u>\$ 5,395,382</u>
<b>Liabilities</b>							
Accounts payable and Accrued exp.	120,557	12,355	356,130	23,017	104,516	2,663	619,238
Due to other fund	-	23,930	373,739	1,914	250,084	98,748	748,415
Deferred revenue	22,742	251,662	84,019	811,291	14,862	127,152	1,311,728
Total Liabilities	<u>143,299</u>	<u>287,947</u>	<u>813,888</u>	<u>836,222</u>	<u>369,462</u>	<u>228,563</u>	<u>2,679,381</u>
<b>Fund Balance</b>							
Nonspendable	53,857	-	-	-	-	-	53,857
Restricted	-	302,917	-	-	-	-	302,917
Assigned	-	-	-	-	-	-	-
Unassigned	2,359,227	-	-	-	-	-	2,359,227
Total Fund Balance	<u>2,413,084</u>	<u>302,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,716,001</u>
Total Liabilities and Fund Balance	<u>\$ 2,556,383</u>	<u>\$ 590,864</u>	<u>\$ 813,888</u>	<u>\$ 836,222</u>	<u>\$ 369,462</u>	<u>\$ 228,563</u>	<u>\$ 5,395,382</u>

**Indian Nations Council of Governments**  
**Governmental Funds Statement of Revenues, Expenditures**  
**And Changes in Fund Balance**  
**Year Ended June 30, 2018**

	<u>General Funds</u>	<u>Clean Cities Fund</u>	<u>Aging Services Fund</u>	<u>Rural Economic Action Plan</u>	<u>Transportation Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>							
Federal grants	\$ -	\$ 542,300	\$ 2,495,811	\$ -	\$ 2,084,397	\$ 728,605	\$ 5,851,113
State grants and appropriations	-	-	1,163,324	869,446	-	118,864	2,151,634
Local charges and services	2,188,846	550	93,015	-	465,816	676,001	3,424,228
Members' dues and Assessments	673,407	-	-	-	-	48,612	722,019
Interest revenue	8,199	20,802	-	-	-	-	29,001
Match revenue	(1,212,636)	127,778	41,854	9,568	293,668	739,768	-
Total Revenues	<u>1,657,816</u>	<u>691,430</u>	<u>3,794,004</u>	<u>879,014</u>	<u>2,843,881</u>	<u>2,311,850</u>	<u>12,177,995</u>
<b>Expenses</b>							
Salaries	506,802	104,860	234,834	14,760	660,919	757,282	2,279,457
Fringe benefits	299,591	62,994	141,076	8,867	397,042	454,935	1,364,505
Indirect costs	177,322	59,351	132,915	8,354	366,261	428,620	1,172,823
Travel	1,656	1,443	8,381	-	35,537	6,121	53,138
Other expense	231,950	264,450	9,648	556	115,637	94,238	716,479
Program costs	-	34,210	50	-	213,075	7,972	255,307
Pass-through grants	-	-	3,267,100	846,477	1,055,410	562,682	5,731,669
Capital Outlays	52,509	-	-	-	-	-	52,509
Total Expenses	<u>1,269,830</u>	<u>527,308</u>	<u>3,794,004</u>	<u>879,014</u>	<u>2,843,881</u>	<u>2,311,850</u>	<u>11,625,887</u>
<b>Net Change in Fund Balances</b>	387,986	164,122	-	-	-	-	552,108
Principal received on notes receivable	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	<u>2,025,098</u>	<u>138,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,163,893</u>
Fund Balances, End of Year	<u>\$ 2,413,084</u>	<u>\$ 302,917</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,716,001</u>

**Indian Nations Council of Governments  
Reconciliation of Governmental Funds and  
Government-wide Financial Statements  
Years Ended June 30, 2018**

**Reconciliation of the Government Funds Balance**

**Sheet to the Statement of Net Assets**

Total fund balances - governmental funds	\$ 2,716,001
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Notes receivable	1,068,643
Capital assets, net of accumulated depreciation	105,216
Pension related deferred outflows	953,757
OPEB related deferred outflows	36,374

Liabilities are not due and payable in the current period, and  
**therefore, are not reported as liabilities in the funds.**

Accrued vacation	(248,353)
Net pension liability	(5,001,269)
OPEB Obligation liability	(164,402)
Pension related deferred inflows	(824,043)
OPEB related deferred inflows	(8,596)

Net assets of governmental activities	\$ (1,366,672)
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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	\$ 552,108
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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	52,509
Depreciation expense	(45,257)
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	135,380
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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	8,149
OPEB obligation, net change	(14,395)
Pension related expenses, net change	188,640

Change in Net Assets - governmental activities	\$ 877,134
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**Indian Nations Council of Governments**  
**Governmental Funds Balance Sheet**  
**June 30, 2017**

	<b>General Funds</b>	<b>Clean Cities Fund</b>	<b>Aging Services Fund</b>	<b>Rural Economic Action Plan</b>	<b>Transportation Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>							
Cash	\$ 1,870,698	\$ 707,347	\$ 9,678	\$ 692,523	\$ 4,534	\$ 2,273	\$ 3,287,053
Accounts receivable	160,557	12,744	434,244	470,626	249,513	278,742	1,606,426
Prepaid expense	53,858	-	-	-	-	2	53,860
Due from Other Fund	119,820	-	85,177	-	298,670	89,731	593,398
Deposits	-	-	-	-	-	-	-
Total Assets	<u>2,204,933</u>	<u>720,091</u>	<u>529,099</u>	<u>1,163,149</u>	<u>552,717</u>	<u>370,748</u>	<u>5,540,737</u>
<b>Liabilities</b>							
Accounts payable and Accrued exp.	102,944	11	407,814	805	12,753	50,635	574,962
Due to other fund	58,209	25,424	36,110	1,976	241,299	230,380	593,398
Deferred revenue	18,682	555,861	85,175	1,160,368	298,665	89,733	2,208,484
Total Liabilities	<u>179,835</u>	<u>581,296</u>	<u>529,099</u>	<u>1,163,149</u>	<u>552,717</u>	<u>370,748</u>	<u>3,376,844</u>
<b>Fund Balance</b>							
Nonspendable	53,858	-	-	-	-	-	53,858
Restricted	-	138,795	-	-	-	-	138,795
Assigned	-	-	-	-	-	-	-
Unassigned	1,971,240	-	-	-	-	-	1,971,240
Total Fund Balance	<u>2,025,098</u>	<u>138,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,163,893</u>
Total Liabilities and Fund Balance	<u>\$ 2,204,933</u>	<u>\$ 720,091</u>	<u>\$ 529,099</u>	<u>\$ 1,163,149</u>	<u>\$ 552,717</u>	<u>\$ 370,748</u>	<u>\$ 5,540,737</u>

**Indian Nations Council of Governments**  
**Governmental Funds Statement of Revenues, Expenditures**  
**And Changes in Fund Balance**  
**Year Ended June 30, 2017**

	<b>General Funds</b>	<b>Clean Cities Fund</b>	<b>Aging Services Fund</b>	<b>Rural Economic Action Plan</b>	<b>Transportation Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>							
Federal grants	\$ -	\$ 271,028	\$ 2,555,967	\$ -	\$ 2,089,026	\$ 641,119	\$ 5,557,140
State grants and appropriations	-	-	1,239,013	402,854	-	101,834	1,743,701
Local charges and services	2,055,032	3,100	93,268	-	18,916	926,050	3,096,366
Members' dues and Assessments	677,469	-	-	-	-	44,900	722,369
Interest revenue	1,899	9,997	-	-	-	-	11,896
Match revenue	(948,055)	162,340	48,551	5,682	264,663	466,819	-
Total Revenues	<u>1,786,345</u>	<u>446,465</u>	<u>3,936,799</u>	<u>408,536</u>	<u>2,372,605</u>	<u>2,180,722</u>	<u>11,131,472</u>
<b>Expenses</b>							
Salaries	544,221	127,060	248,872	14,230	615,584	684,105	2,234,072
Fringe benefits	310,328	70,911	138,893	7,941	343,552	381,793	1,253,418
Indirect costs	244,386	67,818	132,836	7,595	328,568	364,110	1,145,313
Travel	321	1,722	7,477	-	63,466	9,204	82,190
Other expense	214,575	30,665	11,259	594	122,971	94,420	474,484
Program costs	200	72,096	240	-	93,605	119,109	285,250
Pass-through grants	-	-	3,397,222	378,176	804,859	527,981	5,108,238
Capital Outlays	7,725	-	-	-	-	-	7,725
Total Expenses	<u>1,321,756</u>	<u>370,272</u>	<u>3,936,799</u>	<u>408,536</u>	<u>2,372,605</u>	<u>2,180,722</u>	<u>10,590,690</u>
<b>Net Change in Fund Balances</b>	464,589	76,193	-	-	-	-	540,782
Principal received on notes receivable	-	61,196	-	-	-	-	61,196
Change in OPEB Obligation	(48,606)	-	-	-	-	-	(48,606)
Fund Balances, Beginning of Year	<u>1,609,115</u>	<u>1,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,610,521</u>
Fund Balances, End of Year	<u>\$ 2,025,098</u>	<u>\$ 138,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,163,893</u>

**Indian Nations Council of Governments  
Reconciliation of Governmental Funds and  
Government-wide Financial Statements  
Years Ended June 30, 2017**

**Reconciliation of the Government Funds Balance**

**Sheet to the Statement of Net Assets**

Total fund balances - governmental funds	\$	2,163,893
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Notes receivable		933,263
Capital assets, net of accumulated depreciation		97,964
Pension related deferred outflows		1,560,494
OPEB related deferred outflows		27,560

Liabilities are not due and payable in the current period, and **therefore, are not reported as liabilities in the funds.**

Accrued vacation		(256,502)
Net pension liability		(5,078,138)
OPEB Obligation liability		(139,913)
Pension related deferred inflows		(1,542,551)
OPEB related deferred inflows		(9,876)

Net assets of governmental activities	\$	<u>(2,243,806)</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	\$	553,372
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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		7,725
Depreciation expense		(54,621)
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		(61,197)

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		10,138
OPEB obligation, net change		48,606
Pension related expenses, net change		1,260

Change in Net Assets - governmental activities	\$	<u>505,283</u>
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**Indian Nations Council of Governments**  
**Statement of Net Position**  
**Fiduciary Funds - E911**  
**June 30, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Cash	\$ 53,804	\$ 300,035
Accounts receivable	136,367	23,341
Total Assets	<u>190,171</u>	<u>323,376</u>
 <b>Liabilities</b>		
Accounts payable	190,171	323,376
Total Liabilities	<u>190,171</u>	<u>323,376</u>
 <b>Total Net Position</b>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

**Indian Nations Council of Governments**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**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 the 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, 2018 and 2017**

**Note 1: Summary of Significant Accounting Policies (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, 2018 and 2017**

**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, 2018 and 2017.

**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, 2018 and 2017**

**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 \$ 1,000 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:

Assets	Years
Furniture and equipment	3-10
Computer equipment	2-7
Vehicles	4-5

**Compensated Absences**

Full-time employees earn vacation of 13 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, 2018 and 2017**

**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, 2018 and 2017**

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

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

**Allocation of Employee Benefits and Indirect Costs**

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

**Reclassification**

Certain prior year amounts have been reclassified to conform to the current year's presentation. The reclassification had no effect on the previously reported change in net position.

**Accounting Pronouncements Adopted in Fiscal Year 2018**

INCOG adopted the following new accounting pronouncement during the year ended June 30, 2018:

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

GASB No. 75 was issued in June 2015, and addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For a defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for fiscal years beginning after June 15, 2017.

**Indian Nations Council of Governments**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

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

GASB Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73

GASB No 82 was issued in March 2016 and the objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

GASB Statement No. 85, Omnibus 2017

GASB No 85 was issued in March 2017 and the objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

**Indian Nations Council of Governments**  
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**Note 2:     Deposits and Investments**

*Deposits*

INCOG's carrying amount of deposits was \$3,181,562 and \$3,587,088 as of June 30, 2018 and 2017 respectively, and the bank balances totaled \$3,755,308 and \$4,456,276. 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, 2018, and 2017, all of INCOG's bank balances of \$3,755,308 and \$4,456,276 respectively, were FDIC insured or collateralized by pledges from the banks.

*Investments*

INCOG had no investments as of June 30, 2018 and 2017.

*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.

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**Note 3: Receivables**

*Accounts Receivable*

Receivables as of June 30, 2018, 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	\$ 101,803	\$ 719,887	\$ 351,735	\$ 181,576	\$ 110,352	\$ 1,465,353
Less: allowance for uncollectibles	-	-	-	-	-	-
Net total receivables	<u>\$ 101,803</u>	<u>\$ 719,887</u>	<u>\$ 351,735</u>	<u>\$ 181,576</u>	<u>\$ 110,352</u>	<u>\$ 1,465,353</u>

Receivables as of June 30, 2017, 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	\$ 160,557	\$ 434,244	\$ 249,513	\$ 470,626	\$ 291,486	\$ 1,606,426
Less: allowance for uncollectibles	-	-	-	-	-	-
Net total receivables	<u>\$ 160,557</u>	<u>\$ 434,244</u>	<u>\$ 249,513</u>	<u>\$ 470,626</u>	<u>\$ 291,486</u>	<u>\$ 1,606,426</u>

*Note Receivable*

INCOG also had a note receivable as of June 30, 2018 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 \$1,068,643 and \$933,263 were due as of June 30, 2018 and 2017 respectively and payable annually over 15 years with interest at 1.00%

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**Note 3: Receivables** (Continued)

Note receivable balances and activity for the year ended June 30, 2018 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Note Receivables	\$ 933,263	\$ 278,700	\$ (143,320)	\$ 1,068,643
	<u>\$ 933,263</u>	<u>\$ 278,700</u>	<u>\$ (143,320)</u>	<u>\$ 1,068,643</u>

Note receivable balances and activity for the year ended June 30, 2017 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Note Receivables	\$ 994,460	\$ 5,000	\$ (66,197)	\$ 933,263
	<u>\$ 994,460</u>	<u>\$ 5,000</u>	<u>\$ (66,197)</u>	<u>\$ 933,263</u>

**Note 4: Capital Assets**

Capital asset balances and activities for the year ended June 30, 2018, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets, being depreciated				
Buildings, land & improvements	\$ -	\$ -	\$ -	\$ -
Equipment & furniture	81,996	7,078	(5,089)	83,985
Computer equipment & software	423,658	45,431	(98,614)	370,475
Vehicles	135,349	-	-	135,349
Total capital assets, being depreciated	<u>641,003</u>	<u>52,509</u>	<u>(103,703)</u>	<u>589,809</u>
Less accumulated depreciation for:				
Buildings, land & improvements	-	-	-	-
Equipment & furniture	(74,150)	(3,535)	5,089	(72,596)
Computer equipment & software	(349,494)	(29,151)	98,614	(280,031)
Vehicles	<u>(119,395)</u>	<u>(12,571)</u>	<u>-</u>	<u>(131,966)</u>
Total accumulated depreciation	<u>(543,039)</u>	<u>(45,257)</u>	<u>103,703</u>	<u>(484,593)</u>
Governmental activities capital assets, net	<u>\$ 97,964</u>	<u>\$ 7,252</u>	<u>\$ -</u>	<u>\$ 105,216</u>

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**Note 4: Capital Assets** (Continued)

Capital asset balances and activities for the year ended June 30, 2017, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets, being depreciated				
Buildings, land & improvements	\$ -	\$ -	\$ -	\$ -
Equipment & furniture	77,641	4,355	-	81,996
Computer equipment & software	420,288	3,370	-	423,658
Vehicles	135,349	-	-	135,349
Total capital assets, being depreciated	<u>633,278</u>	<u>7,725</u>	<u>-</u>	<u>641,003</u>
Less accumulated depreciation for:				
Buildings, land & improvements	-	-	-	-
Equipment & furniture	(70,585)	(3,565)	-	(74,150)
Computer equipment & software	(315,227)	(34,267)	-	(349,494)
Vehicles	(102,603)	(16,792)	-	(119,395)
Total accumulated depreciation	<u>(488,415)</u>	<u>(54,624)</u>	<u>-</u>	<u>(543,039)</u>
Governmental activities capital assets, net	<u>\$ 144,863</u>	<u>\$ (46,899)</u>	<u>\$ -</u>	<u>\$ 97,964</u>

Depreciation expense for the years ended June 30, 2018 and 2017 was charged to functions/programs of the primary government as follows:

	2018	2017
Governmental activities		
General government	\$ 40,384	\$ 41,231
Aging services	70	835
Transportation	<u>4,803</u>	<u>12,558</u>
Total depreciation expense - governmental activities	<u>\$ 45,257</u>	<u>\$ 54,624</u>

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**Note 5: Long-Term Liabilities**

**Unearned Revenue**

Unearned revenues represent advances on grants or contracts which have not been expended. Unearned revenues for the years ended June 30, 2018 and 2017 totaled \$1,311,728 and \$2,208,484, respectively, and included the following:

	2018	2017
REAP funds:		
2011 REAP funds	\$ 21,510	\$ 40,000
2013 REAP funds	-	53,510
2014 REAP funds	10,448	98,850
2015 REAP funds	55,642	217,551
2016 REAP funds	129,759	273,229
2017 REAP funds	143,669	477,228
2018 REAP funds	450,263	-
Total REAP funds	811,291	1,160,368
Community development	251,662	492,255
Energy revolving loan fund	248,775	555,861
Total deferred revenue	<u>\$ 1,311,728</u>	<u>\$ 2,208,484</u>

**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 Comprehensive Annual Financial Report (CAFR). The report may be obtained by writing to the City of Tulsa Controller, 175 E. 2nd Street, Tulsa, Oklahoma 74103.



**Indian Nations Council of Governments**  
**Notes to Financial Statements**  
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**Note 6: Retirement Plans (Continued)**

**Benefits provided** - MERP 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 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. Five years of service is required for nonservice-related disability eligibility. Disability benefits are determined in the same manner as normal retirement with additional service credited during the period of disability. 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 City of Tulsa ordinance. Employees are required to contribute 6.5 percent of their pensionable wages for the year ended June 30, 2018. INCOG is required to contribute 11.5 percent of pensionable wages for the year ended June 30, 2018.

INCOG is also responsible for Actuarially Determined Employer Contributions (ADEC) that exceeds the 11.5 percent of pensionable wages. Actual contributions to the pension plan from INCOG were \$467,018 and \$357,344 for the years ended June 30, 2018 and 2017.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** - At June 30, 2018 and 2017, INCOG reported a liability of \$5,001,270 and \$5,078,138, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. Standard update procedures were used to roll forward the total pension liability to June 30, 2018. 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, 2018 and 2017, INCOG's proportion was 2.5475% and 2.5703%, respectively, which was a decrease of 0.0228% from its proportion measured as of June 30, 2017.

INCOG recognized pension expense of \$282,961 and \$347,326 for the years ended June 30, 2018 and 2017 respectively. At June 30, 2018, INCOG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Indian Nations Council of Governments**  
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**Note 6: Retirement Plan (Continued)**

	2018		2017	
	Deferred Outflows of Resources	Deferred inflows of Resources	Deferred Outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ 54,715	\$ (123,607)	\$ 42,150	\$ (219,796)
Changes of assumptions	506,665	(21,465)	863,751	(382,605)
Net difference between projected and actual earnings on pension plan investments	387,692	(430,453)	643,396	(595,562)
Changes in proportion and differences between INCOG's contributions and proportionate share of contributions	4,685	(248,518)	11,197	(344,588)
INCOG's contributions subsequent to the measurement date	-	-	-	-
Total	<u>\$ 953,757</u>	<u>\$ (824,043)</u>	<u>\$ 1,560,494</u>	<u>\$ (1,542,551)</u>

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

Year ended June 30:	
2019	396,408
2020	137,898
2021	(134,805)
2022	(25,954)
	<u>\$ 373,548</u>

**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation as of January 1, 2018, 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, 2018.

- Inflation – 3.00%
- Salary increases – 4.00% to 11.75% per year including inflation
- Investment rate of return – 7.50% compounded annually, net of investment expense and including inflation

**Indian Nations Council of Governments**  
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**Note 6: Retirement Plan** (Continued)

Mortality rates were based on RP-2014 Mortality Table with Blue Collar Adjustment, which is projected on a fully generational basis with scale MP-2015.

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2015.

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, 2017, and the long-term expected geometric real rate of return for each major asset class:

Asset Class	Taret Allocation	Long-Term Expected Real Rate of Return
Fixed Income	24.0%	1.16%
Domestic Equity	36.0%	6.19%
International Equity	24.0%	6.59%
Real Estate	8.0%	4.24%
Commodities	3.0%	0.40%
Timber	4.0%	0.11%
Cash	1.0%	3.75%
Total	100.0%	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.5 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 at 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.

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

**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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability	\$ 6,989,707	\$ 5,001,269	\$ 3,335,209

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

**Note 7: Other Post-Employment Benefits**

**General Information about the OPEB Plan**

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

**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.

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

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

At June 30, 2018, INCOG reported a liability of \$164,402 for its proportionate share of the OPEB liability. The total OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2018. The total OPEB liability for June 30, 2017 was \$139,913. 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, 2018 and 2017, INCOG's proportion was 2.6037 percent and 2.4833 percent, respectively.

For the year ended June 30, 2018, INCOG recognized OPEB expense of \$19,659 and for the year ended June 30, 2017 OPEB expense of \$16,298. At June 30, 2018 and 2017, INCOG reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2018		2017	
	Deferred Outflows of Resources	Deferred inflows of Resources	Deferred Outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ 26,296	\$ -	\$ 20,781	\$ -
Changes of assumptions	5,331	(4,833)	6,779	(5,172)
Changes in proportion and differences between INCOG's contributions and proportionate share of contributions	4,747	(3,763)	-	(4,704)
Total	<u>\$ 36,374</u>	<u>\$ (8,596)</u>	<u>\$ 27,560</u>	<u>\$ (9,876)</u>

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:

Year ended June 30:	
2019	\$ 7,202
2020	7,176
2021	7,202
2022	3,435
2023	1,754
	<u>\$ 25,014</u>

**Indian Nations Council of Governments**  
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**Note 7: Other Post-Employment Benefits** (Continued)

**Actuarial assumptions** – The total OPEB liability was determined by an actuarial valuation as June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement. The assumptions remain consistent with 2017.

Inflation	3.0 percent
Salary increases	4.00 to 11.75 percent, including 3.0% inflation and 1.0% productivity
Healthcare cost trend rate	9.0% for 2018, decreasing by 0.5 % annually to an ultimate rate of 5%

Thirty-five percent of future retirees with coverage are assumed to elect healthcare coverage.

Mortality rates were based on RPH-2017 Total Dataset Mortality fully generational using Scale 2017.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2015, with the exception of the healthcare election rate which was based on a experience study from June 30, 2010 through 2016.

**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 3.56 and 3.87 percent as of June 30, 2017 and 2018, respectively, 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 3.87 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 (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
<b><u>2018</u></b>			
Employers' net OPEB liability	\$ 176,616	\$ 164,402	\$ 153,241
<b><u>2017</u></b>			
Employers' net OPEB liability	\$ 149,735	\$ 139,913	\$ 130,794

**Indian Nations Council of Governments**  
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**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 9.0 percent decreasing to 5.0 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 (8.0 percent) or 1-percentage-point higher (10.0 percent) than the current rate:

	1% Decrease (8.0% decreasing to 4.0%)	Current Rate (9.0% decreasing to 5.0%)	1% Increase (10.0% decreasing to 6.0%)
<b><u>2018</u></b>			
Employers' net OPEB liability	\$ 150,523	\$ 164,402	\$ 237,190
<b><u>2017</u></b>			
Employers' net OPEB liability	\$ 126,669	\$ 139,913	\$ 199,990

**Note 8: Non-current Liabilities**

Non-current liabilities at June 30, 2018 and 2017 were as follows:

	2018	2017
Governmental activities		
Compensated absences	\$ 248,353	\$ 256,505
Net pension liability	5,001,269	5,078,138
Net OPEB obligation	164,402	139,913
Total noncurrent liabilities for governmental activities	<u>\$ 5,414,024</u>	<u>\$ 5,474,556</u>

**Indian Nations Council of Governments**  
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**Note 8: Non-current Liabilities** (Continued)

Non-current liability transactions for the year ended June 30, 2018 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities					
Compensated absences	\$ 256,505	\$ -	\$ (8,152)	\$ 248,353	\$ -
Net pension liability	5,078,138	-	(76,869)	5,001,269	-
Net OPEB obligation	139,913	-	24,489	164,402	-
Total governmental activities	<u>\$ 5,474,556</u>	<u>\$ -</u>	<u>\$ (60,532)</u>	<u>\$ 5,414,024</u>	<u>\$ -</u>

Non-current liability transactions for the year ended June 30, 2017 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities					
Compensated absences	\$ 266,640	\$ -	\$ (10,137)	\$ 256,503	\$ -
Net pension liability	5,759,109	-	(680,969)	5,078,140	-
Net OPEB obligation	139,913	-	-	139,913	-
Total governmental activities	<u>\$ 6,165,662</u>	<u>\$ -</u>	<u>\$ (691,106)</u>	<u>\$ 5,474,556</u>	<u>\$ -</u>

**Note 9: Subsequent Events**

Management has evaluated subsequent events through February 21, 2019, the date which the financial statements were available to be issued

**Note 10: 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.



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**Note 11: 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.

**Note 12: New Accounting Standards Issued not yet Adopted**

New Accounting Pronouncements Issued Not Yet Adopted: The GASB has also issued several new accounting pronouncements which will be effective to the Agency in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the Agency's consideration of the impact of these pronouncements are described below:

**GASB Statement No. 83, Certain Asset Retirement Obligations**

GASB No 83 was issued in November 2016, and addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. Agency has not yet determined the impact that implementation will have on its financials.

**GASB Statement No. 84, Fiduciary Activities**

GASB No 84 was issued in January 2017 and the objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. Agency has not yet determined the impact that implementation will have on its financials.

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**Note 12: New Accounting Standards Issued not yet Adopted (Continued)**

**GASB Statement No. 87, Leases**

GASB No 87 was issued June 2017 and the objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Agency has not yet determined the impact that implementation will have on its financials.

**GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements**

GASB No 88 was issued June 2018 and the objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. Agency has not yet determined the impact that implementation will have on its financials.

**Indian Nations Council of Governments**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**Note 12: New Accounting Standards Issued not yet Adopted (Continued)**

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period

GASB No 89 was issued June 2018 and the objective to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. Agency has not yet determined the impact that implementation will have on its financials.

GASB Statement No. 90, Major Equity Interest

GASB No 89 was issued June 2018 and the objective to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. Agency has not yet determined the impact that implementation will have on its financials.

**Indian Nations Council of Governments**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**Note 13: Restatement**

INCOG adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the current year. The statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by employers for Postemployment Benefits Other Than Pensions*. The net OPEB obligation recorded in accordance with GASB Statement No. 45 was removed and the total OPEB liability was recorded in accordance with GASB Statement No. 75. The effect on fiscal year 2017 is as follows:

	<b>2017 Previously Presented</b>	<b>Restatement</b>	<b>2017 Restated</b>
Deferred Outflows of Resources -			
Other postemployment benefit related amounts	\$ -	\$ 27,560	\$ 27,560
Total other postemployment benefits liability	\$ (409,210)	\$ 269,297	\$ (139,913)
Deferred Inflows of Resources -			
Other postemployment benefit related amounts	\$ -	\$ (9,876)	\$ (9,876)
Net position, unrestricted	\$ (3,615,873)	\$ -	\$ (3,615,873)
Net position, beginning of year	\$ 2,530,787	\$ (286,981)	\$ 2,243,806

**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	<b>State Appropriation</b>	<b>Rural Fire Defense</b>	<b>EDA Planning Grant</b>	<b>EDA Planning Grant</b>	<b>Utility Partners</b>	<b>Water Quality 604(b) FY14</b>	<b>OK Dept of Mental Health</b>
<b>Assets</b>							
Cash	\$ -	\$ 534	\$ 413	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	1,443	-	-	3,242	-	-	13,000
Due from Other Fund	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Total Assets	<u>1,443</u>	<u>534</u>	<u>413</u>	<u>3,242</u>	<u>-</u>	<u>-</u>	<u>13,000</u>
<b>Liabilities</b>							
Accounts payable and Accrued exp.	-	534	-	-	-	-	-
Due to other fund	1,443	-	-	3,242	-	-	13,000
Unearned revenue	-	-	413	-	-	-	-
Total Liabilities	<u>1,443</u>	<u>534</u>	<u>413</u>	<u>3,242</u>	<u>-</u>	<u>-</u>	<u>13,000</u>
<b>Fund Balance</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
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>\$ 1,443</u>	<u>\$ 534</u>	<u>\$ 413</u>	<u>\$ 3,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,000</u>

**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	<b>CDBG</b>	<b>Metropolitan Enviromental Trust</b>	<b>FY 15 604(b) Regional Monitoring</b>	<b>FY 16 604(b) Regional Monitoring</b>	<b>All Other Non-Major Governmental Funds</b>	<b>Total Other Government Funds</b>
<b>Assets</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ 128,514	\$ 129,461
Investments	-	-	-	-	-	-
Accounts receivable	24,800	26,946	1,627	1,944	26,100	99,102
Due from Other Fund	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
<b>Total Assets</b>	<b>24,800</b>	<b>26,946</b>	<b>1,627</b>	<b>1,944</b>	<b>154,614</b>	<b>228,563</b>
<b>Liabilities</b>						
Accounts payable and Accrued exp.	-	-	318	-	1,811	2,663
Due to other fund	24,800	26,946	1,309	1,944	26,064	98,748
Unearned revenue	-	-	-	-	126,739	127,152
<b>Total Liabilities</b>	<b>24,800</b>	<b>26,946</b>	<b>1,627</b>	<b>1,944</b>	<b>154,614</b>	<b>228,563</b>
<b>Fund Balance</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
 Total Liabilities and Fund Balance	 <b>\$ 24,800</b>	 <b>\$ 26,946</b>	 <b>\$ 1,627</b>	 <b>\$ 1,944</b>	 <b>\$ 154,614</b>	 <b>\$ 228,563</b>

**Indian Nations Council of Governments**  
**Combining Statements of Revenues, Expenses and Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2018**

	<b>State Appropriation</b>	<b>Rural Fire Defense</b>	<b>EDA Planning Grant</b>	<b>EDA Planning Grant</b>	<b>Utility Partners</b>	<b>Water Quality 604(b) FY14</b>	<b>OK Dept of Mental Health</b>
<b>Revenues</b>							
Federal grants	\$ -	\$ -	\$ -	\$ 93,932	\$ -	\$ -	\$ 634,673
State grants and appropriations	17,322	60,051	-	-	-	-	-
Local charges and services	-	-	-	-	-	-	-
Members' dues and Assessments	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-	-
Match revenue	94,688	41,235	100	93,932	-	-	(43,835)
Total Revenues	<u>112,010</u>	<u>101,286</u>	<u>100</u>	<u>187,864</u>	<u>-</u>	<u>-</u>	<u>590,838</u>
<b>Expenses</b>							
Salaries	51,372	44,211	-	85,291	-	-	12,988
Fringe benefits	30,862	26,560	-	51,238	-	-	7,802
Indirect costs	29,077	25,023	-	48,275	-	-	7,351
Travel	146	124	-	1,233	-	-	-
Other expense	553	5,368	100	1,827	-	-	15
Consultants/Contractual	-	-	-	-	-	-	-
Pass-through grants	-	-	-	-	-	-	562,682
Capital Outlays	-	-	-	-	-	-	-
Total Expenses	<u>112,010</u>	<u>101,286</u>	<u>100</u>	<u>187,864</u>	<u>-</u>	<u>-</u>	<u>590,838</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<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 Statements of Revenues, Expenses and Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2018**

	<b>CDBG</b>	<b>Metropolitan Enviromental Trust</b>	<b>FY 15 604(b) Regional Monitoring</b>	<b>FY 15 604(b) Regional Monitoring</b>	<b>All Other Non- Major Governmental Funds</b>	<b>Total Other Government Funds</b>
<b>Revenues</b>						
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 728,605
State grants and appropriations	-	-	17,923	11,452	12,116	118,864
Local charges and services	347,479	308,428	-	-	20,094	676,001
Members' dues and Assessments	-	-	-	-	48,612	48,612
Interest revenue	-	-	-	-	-	-
Match revenue	(92,793)	73,787	-	-	572,654	739,768
Total Revenues	<u>254,686</u>	<u>382,215</u>	<u>17,923</u>	<u>11,452</u>	<u>653,476</u>	<u>2,311,850</u>
<b>Expenses</b>						
Salaries	117,084	164,552	8,272	5,285	268,227	757,282
Fringe benefits	70,338	98,854	4,969	3,175	161,137	454,935
Indirect costs	66,270	93,136	4,682	2,992	151,814	428,620
Travel	77	-	-	-	4,541	6,121
Other expense	917	25,673	-	-	59,785	94,238
Consultants/Contractual	-	-	-	-	7,972	7,972
Pass-through grants	-	-	-	-	-	562,682
Capital Outlays	-	-	-	-	-	-
Total Expenses	<u>254,686</u>	<u>382,215</u>	<u>17,923</u>	<u>11,452</u>	<u>653,476</u>	<u>2,311,850</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Nonmajor Governmental Funds**  
**June 30, 2017**

	<b>State Appropriation</b>	<b>Rural Fire Defense</b>	<b>EDA Planning Grant</b>	<b>EDA Planning Grant</b>	<b>Utility Partners</b>	<b>Water Quality 604(b) FY14</b>	<b>OK Dept of Mental Health</b>
<b>Assets</b>							
Cash	\$ -	\$ 375	\$ -	\$ 325	\$ -	\$ 241	\$ -
Accounts receivable	1,515	-	7,358	-	-	-	162,676
Due from Other Fund	-	-	413	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Total Assets	<u>1,515</u>	<u>375</u>	<u>7,771</u>	<u>325</u>	<u>-</u>	<u>241</u>	<u>162,676</u>
<b>Liabilities</b>							
Accounts payable and Accrued exp.	-	375	-	325	-	241	48,333
Due to other fund	1,515	-	7,358	-	-	-	114,343
Unearned revenue	-	-	413	-	-	-	-
Total Liabilities	<u>1,515</u>	<u>375</u>	<u>7,771</u>	<u>325</u>	<u>-</u>	<u>241</u>	<u>162,676</u>
<b>Fund Balance</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
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>\$ 1,515</u>	<u>\$ 375</u>	<u>\$ 7,771</u>	<u>\$ 325</u>	<u>\$ -</u>	<u>\$ 241</u>	<u>\$ 162,676</u>

**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Nonmajor Governmental Funds**  
**June 30, 2017**

	<b>CDBG</b>	<b>LDS Zoning</b>	<b>Metropolitan Enviromental Trust</b>	<b>FY 15 604(b) Regional Monitoring</b>	<b>All Other Non-Major Governmental Funds</b>	<b>Total Other Government Funds</b>
<b>Assets</b>						
Cash	\$ -	\$ 1,332	\$ -	\$ -	\$ -	\$ 2,273
Accounts receivable	74,206	-	22,087	3,790	7,110	278,742
Due from Other Fund	-	-	-	-	89,318	89,731
Prepaid Expenses	-	-	-	-	2	2
Deposits	-	-	-	-	-	-
Total Assets	<u>74,206</u>	<u>1,332</u>	<u>22,087</u>	<u>3,790</u>	<u>96,430</u>	<u>370,748</u>
<b>Liabilities</b>						
Accounts payable and Accrued exp.	28	1,332	-	-	1	50,635
Due to other fund	74,178	-	22,087	3,790	7,109	230,380
Unearned revenue	-	-	-	-	89,320	89,733
Total Liabilities	<u>74,206</u>	<u>1,332</u>	<u>22,087</u>	<u>3,790</u>	<u>96,430</u>	<u>370,748</u>
<b>Fund Balance</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 74,206</u>	<u>\$ 1,332</u>	<u>\$ 22,087</u>	<u>\$ 3,790</u>	<u>\$ 96,430</u>	<u>\$ 370,748</u>

**Indian Nations Council of Governments**  
**Combining Statements of Revenues, Expenses and Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2017**

	<b>State Appropriation</b>	<b>Rural Fire Defense</b>	<b>EDA Planning Grant</b>	<b>EDA Planning Grant</b>	<b>Utility Partners</b>	<b>Water Quality 604(b) FY14</b>	<b>OK Dept of Mental Health</b>
<b>Revenues</b>							
Federal grants	\$ -	\$ -	\$ 34,962	\$ 38,850	\$ -	\$ -	\$ 564,436
State grants and appropriations	18,182	59,451	-	-	-	19,642	-
Local charges and services	-	-	-	-	114,332	-	-
Members' dues and Assessments	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-	-
Match revenue	65,252	39,270	34,962	38,850	(14,586)	-	(16,296)
Total Revenues	<u>83,434</u>	<u>98,721</u>	<u>69,924</u>	<u>77,700</u>	<u>99,746</u>	<u>19,642</u>	<u>548,140</u>
<b>Expenses</b>							
Salaries	39,254	44,347	32,402	34,457	2,348	9,361	9,599
Fringe benefits	21,907	24,750	18,083	19,230	1,310	5,225	5,357
Indirect costs	20,952	23,670	16,263	18,391	1,253	4,997	5,123
Travel	-	86	364	550	-	-	21
Other expense	1,321	5,868	2,812	1,871	5,000	59	-
Consultants/Contractual	-	-	-	3,201	89,835	-	-
Pass-through grants	-	-	-	-	-	-	528,040
Capital Outlays	-	-	-	-	-	-	-
Total Expenses	<u>83,434</u>	<u>98,721</u>	<u>69,924</u>	<u>77,700</u>	<u>99,746</u>	<u>19,642</u>	<u>548,140</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Indian Nations Council of Governments**  
**Combining Statements of Revenues, Expenses and Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2017**

	<b>CDBG</b>	<b>LDS Zoning</b>	<b>Metropolitan Enviromental Trust</b>	<b>FY 15 604(b) Regional Monitoring</b>	<b>All Other Non- Major Governmental Funds</b>	<b>Total Other Government Funds</b>
<b>Revenues</b>						
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ 2,871	\$ 641,119
State grants and appropriations	-	-	-	4,559	-	101,834
Local charges and services	458,727	500	272,939	-	79,552	926,050
Members' dues and Assessments	-	-	-	-	44,900	44,900
Interest revenue	-	-	-	-	-	-
Match revenue	(172,284)	348,817	51,628	-	91,206	466,819
Total Revenues	<u>286,443</u>	<u>349,317</u>	<u>324,567</u>	<u>4,559</u>	<u>218,529</u>	<u>2,180,722</u>
<b>Expenses</b>						
Salaries	135,292	144,554	143,953	2,180	86,358	684,105
Fringe benefits	75,505	80,674	80,339	1,216	48,197	381,793
Indirect costs	72,213	77,156	76,835	1,163	46,094	364,110
Travel	1,394	2,478	-	-	4,311	9,204
Other expense	2,098	44,355	23,440	-	7,596	94,420
Consultants/Contractual	-	100	-	-	25,973	119,109
Pass-through grants	(59)	-	-	-	-	527,981
Capital Outlays	-	-	-	-	-	-
Total Expenses	<u>286,443</u>	<u>349,317</u>	<u>324,567</u>	<u>4,559</u>	<u>218,529</u>	<u>2,180,722</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Area Agency on Aging Funds**  
**June 30, 2018**

	<b>Title IIIB Administrative</b>	<b>Title IIIB Services</b>	<b>Title IIIC1</b>	<b>Title IIIC2</b>	<b>Title IIIE</b>	<b>Title VII</b>	<b>Services Morton Title IIIB</b>	<b>Cimarron Transit Title IIIB</b>	<b>Legal Aid Title IIIB</b>
<b>Assets</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Accounts receivable	11,291	27,470	14,200	6,951	4,664	1,775	13,562	12,110	7,414
Due from Other Fund	-	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
Total Assets	<u>11,291</u>	<u>27,470</u>	<u>14,200</u>	<u>6,951</u>	<u>4,664</u>	<u>1,775</u>	<u>13,562</u>	<u>12,110</u>	<u>7,414</u>
<b>Liabilities</b>									
Accounts payable and Accrued exp.	422	224	355	184	71	24	6,781	6,295	5,989
Due to other fund	10,869	27,246	13,845	6,767	4,593	1,751	6,781	5,815	1,425
Unearned revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>11,291</u>	<u>27,470</u>	<u>14,200</u>	<u>6,951</u>	<u>4,664</u>	<u>1,775</u>	<u>13,562</u>	<u>12,110</u>	<u>7,414</u>
<b>Fund Balance</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 11,291</u>	<u>\$ 27,470</u>	<u>\$ 14,200</u>	<u>\$ 6,951</u>	<u>\$ 4,664</u>	<u>\$ 1,775</u>	<u>\$ 13,562</u>	<u>\$ 12,110</u>	<u>\$ 7,414</u>

**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Area Agency on Aging Funds**  
**June 30, 2018**

	Osage County 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	Alzheimers Title IIIE
<b>Assets</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Accounts receivable	2,814	55,808	10,651	166,305	38,897	185,925	24,408	4,377	-
Due from Other Fund	-	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
Total Assets	<u>2,814</u>	<u>55,808</u>	<u>10,651</u>	<u>166,305</u>	<u>38,897</u>	<u>185,925</u>	<u>24,408</u>	<u>4,377</u>	<u>-</u>
<b>Liabilities</b>									
Accounts payable and Accrued exp.	1,668	26,496	7,078	89,072	19,448	95,016	12,204	2,189	-
Due to other fund	1,146	29,312	3,573	77,233	19,449	90,909	12,204	2,188	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>2,814</u>	<u>55,808</u>	<u>10,651</u>	<u>166,305</u>	<u>38,897</u>	<u>185,925</u>	<u>24,408</u>	<u>4,377</u>	<u>-</u>
<b>Fund Balance</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 2,814</u>	<u>\$ 55,808</u>	<u>\$ 10,651</u>	<u>\$ 166,305</u>	<u>\$ 38,897</u>	<u>\$ 185,925</u>	<u>\$ 24,408</u>	<u>\$ 4,377</u>	<u>\$ -</u>

**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Area Agency on Aging Funds**  
**June 30, 2018**

	Oxford Health Care Title III E	Michael Lundy Title IIIC1	Ability Resources Title IIID	USDA NSIP	Masonic	CENA	All Other AAA Funds	Total AAA Funds
<b>Assets</b>								
Cash	\$ -	\$ -	\$ -	\$ -	\$ 94,001	\$ -	\$ -	\$ 94,001
Investments	-	-	-	-	-	-	-	-
Accounts receivable	46,411	8,165	7,853	47,839	-	12,119	8,878	719,887
Due from Other Fund	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Total Assets	<u>46,411</u>	<u>8,165</u>	<u>7,853</u>	<u>47,839</u>	<u>94,001</u>	<u>12,119</u>	<u>8,878</u>	<u>813,888</u>
<b>Liabilities</b>								
Accounts payable and Accrued exp.	27,796	4,082	5,018	26,664	9,981	5,467	3,606	356,130
Due to other fund	18,615	4,083	2,835	21,175	-	6,653	5,272	373,739
Unearned revenue	-	-	-	-	84,020	(1)	-	84,019
Total Liabilities	<u>46,411</u>	<u>8,165</u>	<u>7,853</u>	<u>47,839</u>	<u>94,001</u>	<u>12,119</u>	<u>8,878</u>	<u>813,888</u>
<b>Fund Balance</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 46,411</u>	<u>\$ 8,165</u>	<u>\$ 7,853</u>	<u>\$ 47,839</u>	<u>\$ 94,001</u>	<u>\$ 12,119</u>	<u>\$ 8,878</u>	<u>\$ 813,888</u>

**Indian Nations Council of Governments**  
**Combining Statements of Revenues, Expenses and Fund Balances**  
**Area Agency on Aging Funds**  
**Year Ended June 30, 2018**

	<b>Title IIIB Administrative</b>	<b>Title IIIB Services</b>	<b>Title IIIC1</b>	<b>Title IIIC2</b>	<b>Title IIIE</b>	<b>Title VII</b>	<b>USDA NSIP</b>	<b>Services Morton Title III</b>	<b>Cimarron Transit Title IIIB</b>
<b>Revenues</b>									
Federal grants	\$ 59,628	\$ 96,319	\$ 74,994	\$ 36,710	\$ 24,634	\$ 10,627	\$ 244,322	\$ 87,872	\$ 60,164
State grants and appropriations	19,876	97,107	24,998	12,237	8,211	1,875	-	15,507	10,617
Local charges and services	-	-	-	-	-	-	-	-	-
Members' dues and Assessments	-	-	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-	-	-	-
Match revenue	10,869	6,462	13,612	6,686	4,498	1,033	-	-	-
Total Revenues	<u>90,373</u>	<u>199,888</u>	<u>113,604</u>	<u>55,633</u>	<u>37,343</u>	<u>13,535</u>	<u>244,322</u>	<u>103,379</u>	<u>70,781</u>
<b>Expenses</b>									
Salaries	40,271	88,878	50,667	24,789	16,653	6,119	-	-	-
Fringe benefits	24,064	53,976	30,280	14,815	9,953	3,509	-	-	-
Indirect costs	22,748	50,511	28,621	14,004	9,407	3,404	-	-	-
Travel	1,502	3,201	1,897	928	617	236	-	-	-
Other expense	1,779	3,303	2,127	1,092	709	266	-	-	-
Program costs	9	19	12	5	4	1	-	-	-
Pass-through grants	-	-	-	-	-	-	244,322	103,379	70,781
Capital Outlays	-	-	-	-	-	-	-	-	-
Total Expenses	<u>90,373</u>	<u>199,888</u>	<u>113,604</u>	<u>55,633</u>	<u>37,343</u>	<u>13,535</u>	<u>244,322</u>	<u>103,379</u>	<u>70,781</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<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>	<u>\$ -</u>	<u>\$ -</u>



**Indian Nations Council of Governments**  
**Combining Statements of Revenues, Expenses and Fund Balances**  
**Area Agency on Aging Funds**  
**Year Ended June 30, 2018**

	Legal Aid Title IIIB	Osage County 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
<b>Revenues</b>									
Federal grants	\$ 37,318	\$ 11,186	\$ 277,793	\$ 32,125	\$ 564,434	\$ 163,927	\$ 316,137	\$ 66,473	\$ 11,984
State grants and appropriations	6,586	1,974	49,022	5,669	161,639	46,944	380,316	79,968	14,417
Local charges and services	-	-	-	-	-	-	-	-	-
Members' dues and Assessments	-	-	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-	-	-	-
Match revenue	-	-	-	-	-	-	-	-	-
Total Revenues	<u>43,904</u>	<u>13,160</u>	<u>326,815</u>	<u>37,794</u>	<u>726,073</u>	<u>210,871</u>	<u>696,453</u>	<u>146,441</u>	<u>26,401</u>
<b>Expenses</b>									
Salaries	-	-	-	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-	-	-	-
Indirect costs	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-
Program costs	-	-	-	-	-	-	-	-	-
Pass-through grants	43,904	13,160	326,815	37,794	726,073	210,871	696,453	146,441	26,401
Capital Outlays	-	-	-	-	-	-	-	-	-
Total Expenses	<u>43,904</u>	<u>13,160</u>	<u>326,815</u>	<u>37,794</u>	<u>726,073</u>	<u>210,871</u>	<u>696,453</u>	<u>146,441</u>	<u>26,401</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<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>	<u>\$ -</u>	<u>\$ -</u>

**Indian Nations Council of Governments**  
**Combining Statements of Revenues, Expenses and Fund Balances**  
**Area Agency on Aging Funds**  
**Year Ended June 30, 2018**

	Alzheimers Title III E	Oxford Health Care Title III E	Michael Lundy Title IIIC1	Ability Resources Title IIID	Masonic	CENA	All Other AAA Funds	Total AAA Funds
<b>Revenues</b>								
Federal grants	\$ -	\$ 202,016	\$ 38,248	\$ 40,866	\$ -	\$ -	\$ 38,034	\$ 2,495,811
State grants and appropriations	-	67,339	10,953	6,941	-	129,862	11,266	1,163,324
Local charges and services	-	-	-	-	88,974	-	4,041	93,015
Members' dues and Assessments	-	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-	-	-
Match revenue	-	-	-	-	-	81	(1,387)	41,854
Total Revenues	-	269,355	49,201	47,807	88,974	129,943	51,954	3,794,004
<b>Expenses</b>								
Salaries	-	-	-	-	1,415	3,034	3,008	234,834
Fringe benefits	-	-	-	-	850	1,823	1,806	141,076
Indirect costs	-	-	-	-	800	1,717	1,703	132,915
Travel	-	-	-	-	-	-	-	8,381
Other expense	-	-	-	-	-	-	372	9,648
Program costs	-	-	-	-	-	-	-	50
Pass-through grants	-	269,355	49,201	47,807	85,909	123,369	45,065	3,267,100
Capital Outlays	-	-	-	-	-	-	-	-
Total Expenses	-	269,355	49,201	47,807	88,974	129,943	51,954	3,794,004
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Area Agency on Aging Funds**  
**June 30, 2017**

	<b>Title IIIB Administrative</b>	<b>Title IIIB Services</b>	<b>Title IIIC1</b>	<b>Title IIIC2</b>	<b>Title IIIE</b>	<b>Title VII</b>	<b>Services Morton Title IIIB</b>	<b>Cimarron Transit Title IIIB</b>	<b>Legal Aid Title IIIB</b>
<b>Assets</b>									
Cash	\$ 74	\$ -	\$ 93	\$ 44	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Accounts receivable	5,714	8,598	7,214	3,247	1,848	696	16,269	204	4,926
Due from Other Fund	-	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
Total Assets	<u>5,788</u>	<u>8,598</u>	<u>7,307</u>	<u>3,291</u>	<u>1,848</u>	<u>696</u>	<u>16,269</u>	<u>204</u>	<u>4,926</u>
<b>Liabilities</b>									
Accounts payable and Accrued exp.	115	159	142	66	37	15	16,269	204	4,926
Due to other fund	5,673	8,439	7,165	3,225	1,811	681	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>5,788</u>	<u>8,598</u>	<u>7,307</u>	<u>3,291</u>	<u>1,848</u>	<u>696</u>	<u>16,269</u>	<u>204</u>	<u>4,926</u>
<b>Fund Balance</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 5,788</u>	<u>\$ 8,598</u>	<u>\$ 7,307</u>	<u>\$ 3,291</u>	<u>\$ 1,848</u>	<u>\$ 696</u>	<u>\$ 16,269</u>	<u>\$ 204</u>	<u>\$ 4,926</u>

**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Area Agency on Aging Funds**  
**June 30, 2017**

	Osage County Title IIIB	Oxford Health Care Title IIIB	Services Sodexo Title IIIB	Sodexo Title IIIC1	Osage County Title IIIC1	Sodexo Title IIIC2	Osage County Title IIIC2	Broken Arrow Nutrition Title IIIC2	Alzheimers Title IIIE
<b>Assets</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Accounts receivable	2,449	34,709	3,227	107,966	17,845	96,644	2,546	2,316	-
Due from Other Fund	-	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
Total Assets	<u>2,449</u>	<u>34,709</u>	<u>3,227</u>	<u>107,966</u>	<u>17,845</u>	<u>96,644</u>	<u>2,546</u>	<u>2,316</u>	<u>-</u>
<b>Liabilities</b>									
Accounts payable and Accrued exp.	2,449	34,709	3,227	107,964	17,845	96,644	2,546	2,316	-
Due to other fund	-	-	-	2	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>2,449</u>	<u>34,709</u>	<u>3,227</u>	<u>107,966</u>	<u>17,845</u>	<u>96,644</u>	<u>2,546</u>	<u>2,316</u>	<u>-</u>
<b>Fund Balance</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 2,449</u>	<u>\$ 34,709</u>	<u>\$ 3,227</u>	<u>\$ 107,966</u>	<u>\$ 17,845</u>	<u>\$ 96,644</u>	<u>\$ 2,546</u>	<u>\$ 2,316</u>	<u>\$ -</u>

**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Area Agency on Aging Funds**  
**June 30, 2017**

	Oxford Health Care Title IIIE	Michael Lundy Title IIIC1	Ability Resources Title IIID	USDA NSIP	Masonic	CENA	All Other AAA Funds	Total AAA Funds
<b>Assets</b>								
Cash	\$ -	\$ -	\$ -	\$ -	\$ 9,467	\$ -	\$ -	\$ 9,678
Investments	-	-	-	-	-	-	-	-
Accounts receivable	47,398	4,199	7,089	32,349	-	16,315	10,476	434,244
Due from Other Fund	-	-	-	-	79,489	-	5,688	85,177
Prepaid Expenses	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Total Assets	<u>47,398</u>	<u>4,199</u>	<u>7,089</u>	<u>32,349</u>	<u>88,956</u>	<u>16,315</u>	<u>16,164</u>	<u>529,099</u>
<b>Liabilities</b>								
Accounts payable and Accrued exp.	47,091	4,199	7,089	32,349	9,467	8,054	9,932	407,814
Due to other fund	307	-	-	-	-	8,262	545	36,110
Unearned revenue	-	-	-	-	79,489	(1)	5,687	85,175
Total Liabilities	<u>47,398</u>	<u>4,199</u>	<u>7,089</u>	<u>32,349</u>	<u>88,956</u>	<u>16,315</u>	<u>16,164</u>	<u>529,099</u>
<b>Fund Balance</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 47,398</u>	<u>\$ 4,199</u>	<u>\$ 7,089</u>	<u>\$ 32,349</u>	<u>\$ 88,956</u>	<u>\$ 16,315</u>	<u>\$ 16,164</u>	<u>\$ 529,099</u>

**Indian Nations Council of Governments**  
**Combining Statements of Revenues, Expenses and Fund Balances**  
**Area Agency on Aging Funds**  
**Year Ended June 30, 2017**

	<b>Title IIIB Administrative</b>	<b>Title IIIB Services</b>	<b>Title IIIC1</b>	<b>Title IIIC2</b>	<b>Title IIIE</b>	<b>Title VII</b>	<b>USDA NSIP</b>	<b>Services Morton Title III</b>	<b>Cimarron Transit Title IIIB</b>
<b>Revenues</b>									
Federal grants	\$ 61,479	\$ 123,013	\$ 77,280	\$ 36,447	\$ 23,815	\$ 10,571	\$ 282,689	\$ 78,971	\$ 60,164
State grants and appropriations	39,905	21,708	48,345	21,601	7,938	1,865	-	13,936	10,617
Local charges and services	-	-	-	-	-	-	-	-	-
Members' dues and Assessments	-	-	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-	-	-	-
Match revenue	14,431	4,490	13,803	8,863	3,634	394	-	-	-
Total Revenues	<u>115,815</u>	<u>149,211</u>	<u>139,428</u>	<u>66,911</u>	<u>35,387</u>	<u>12,830</u>	<u>282,689</u>	<u>92,907</u>	<u>70,781</u>
<b>Expenses</b>									
Salaries	53,629	69,268	64,596	30,984	16,406	5,955	-	-	-
Fringe benefits	30,054	38,457	36,069	17,377	9,132	3,321	-	-	-
Indirect costs	28,667	36,903	34,484	16,567	8,748	3,178	-	-	-
Travel	1,775	2,044	2,022	962	496	178	-	-	-
Other expense	1,679	2,524	2,244	1,014	601	198	-	-	-
Program costs	11	15	13	7	4	-	-	-	-
Pass-through grants	-	-	-	-	-	-	282,689	92,907	70,781
Capital Outlays	-	-	-	-	-	-	-	-	-
Total Expenses	<u>115,815</u>	<u>149,211</u>	<u>139,428</u>	<u>66,911</u>	<u>35,387</u>	<u>12,830</u>	<u>282,689</u>	<u>92,907</u>	<u>70,781</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<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>\$ -</u></u>	<u><u>\$ -</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, Expenses and Fund Balances**  
**Area Agency on Aging Funds**  
**Year Ended June 30, 2017**

	Legal Aid Title IIIB	Osage County 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
<b>Revenues</b>									
Federal grants	\$ 37,318	\$ 14,427	\$ 274,747	\$ 29,582	\$ 578,829	\$ 149,505	\$ 268,179	\$ 101,201	\$ 11,364
State grants and appropriations	6,586	2,546	48,485	5,220	209,528	44,132	408,804	99,761	15,036
Local charges and services	-	-	-	-	-	-	-	-	-
Members' dues and Assessments	-	-	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-	-	-	-
Match revenue	-	-	-	-	-	-	-	-	-
Total Revenues	<u>43,904</u>	<u>16,973</u>	<u>323,232</u>	<u>34,802</u>	<u>788,357</u>	<u>193,637</u>	<u>676,983</u>	<u>200,962</u>	<u>26,400</u>
<b>Expenses</b>									
Salaries	-	-	-	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-	-	-	-
Indirect costs	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	-	-
Program costs	-	-	-	-	-	-	-	-	-
Pass-through grants	43,904	16,973	323,232	34,802	788,357	193,637	676,983	200,962	26,400
Capital Outlays	-	-	-	-	-	-	-	-	-
Total Expenses	<u>43,904</u>	<u>16,973</u>	<u>323,232</u>	<u>34,802</u>	<u>788,357</u>	<u>193,637</u>	<u>676,983</u>	<u>200,962</u>	<u>26,400</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<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>\$ -</u></u>	<u><u>\$ -</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, Expenses and Fund Balances**  
**Area Agency on Aging Funds**  
**Year Ended June 30, 2017**

	<b>Alzheimers Title III E</b>	<b>Oxford Health Care Title III E</b>	<b>Michael Lundy Title IIIC1</b>	<b>Ability Resources Title IIID</b>	<b>Masonic</b>	<b>CENA</b>	<b>All Other AAA Funds</b>	<b>Total AAA Funds</b>
<b>Revenues</b>								
Federal grants	\$ -	\$ 223,042	\$ 38,267	\$ 38,485	\$ -	\$ -	\$ 36,592	\$ 2,555,967
State grants and appropriations	-	67,471	10,929	6,792	-	137,878	9,930	1,239,013
Local charges and services	-	-	-	-	93,268	-	-	93,268
Members' dues and Assessments	-	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-	-	-
Match revenue	-	-	-	-	-	240	2,696	48,551
Total Revenues	-	290,513	49,196	45,277	93,268	138,118	49,218	3,936,799
<b>Expenses</b>								
Salaries	-	-	-	-	3,583	3,411	1,040	248,872
Fringe benefits	-	-	-	-	2,000	1,903	580	138,893
Indirect costs	-	-	-	-	1,912	1,820	557	132,836
Travel	-	-	-	-	-	-	-	7,477
Other expense	-	-	-	-	1	-	2,998	11,259
Program costs	-	-	-	-	190	-	-	240
Pass-through grants	-	290,513	49,196	45,277	85,582	130,984	44,043	3,397,222
Capital Outlays	-	-	-	-	-	-	-	-
Total Expenses	-	290,513	49,196	45,277	93,268	138,118	49,218	3,936,799
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Transportation Planning Funds**  
**June 30, 2018**

	FTA Planning	FHWA Planning	FTA Transportation Model	FTA Alternative Analysis Peoria/ Riverside	FTA OKVA RouteMatch	Section 5310 FY15	Section 5310 FY14	Section 5310 FY13
<b>Assets</b>								
Cash	\$ 2,271	\$ 245	\$ -	\$ 1,683	\$ 4,150	\$ -	\$ -	\$ 193
Investments	-	-	-	-	-	-	-	-
Accounts receivable	42,131	147,254	-	-	-	-	2,905	-
Due from Other Fund	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Total Assets	<u>44,402</u>	<u>147,499</u>	<u>-</u>	<u>1,683</u>	<u>4,150</u>	<u>-</u>	<u>2,905</u>	<u>193</u>
<b>Liabilities</b>								
Accounts payable and Accrued exp.	2,271	7,938	-	-	-	-	-	-
Due to other fund	42,131	139,561	-	-	-	-	2,905	-
Unearned revenue	-	-	-	1,683	4,150	-	-	193
Total Liabilities	<u>44,402</u>	<u>147,499</u>	<u>-</u>	<u>1,683</u>	<u>4,150</u>	<u>-</u>	<u>2,905</u>	<u>193</u>
<b>Fund Balance</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 44,402</u>	<u>\$ 147,499</u>	<u>\$ -</u>	<u>\$ 1,683</u>	<u>\$ 4,150</u>	<u>\$ -</u>	<u>\$ 2,905</u>	<u>\$ 193</u>

**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Transportation Planning Funds**  
**June 30, 2018**

	<b>New OKVA Program II</b>	<b>CMAQ Ozone Alert</b>	<b>CMAQ Carpool/ Vanpool</b>	<b>City of Tulsa Bike Share</b>	<b>Tulsa Bike/Pedestrian Safety</b>	<b>All Other Transportation Planning Funds</b>	<b>Total Transportation Planning Funds</b>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,185	\$ 17,727
Investments	-	-	-	-	-	-	-
Accounts receivable	1,435	12,287	861	-	-	144,862	351,735
Due from Other Fund	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>1,435</b>	<b>12,287</b>	<b>861</b>	<b>-</b>	<b>-</b>	<b>154,047</b>	<b>369,462</b>
<b>Liabilities</b>							
Accounts payable							-
and Accrued exp.	-	5,755	-	-	-	88,552	104,516
Due to other fund	1,435	6,532	861	-	-	56,659	250,084
Unearned revenue	-	-	-	-	-	8,836	14,862
<b>Total Liabilities</b>	<b>1,435</b>	<b>12,287</b>	<b>861</b>	<b>-</b>	<b>-</b>	<b>154,047</b>	<b>369,462</b>
<b>Fund Balance</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
 Total Liabilities and Fund Balance	 <b>\$ 1,435</b>	 <b>\$ 12,287</b>	 <b>\$ 861</b>	 <b>\$ -</b>	 <b>\$ -</b>	 <b>\$ 154,047</b>	 <b>\$ 369,462</b>

**Indian Nations Council of Governments**  
**Combining Statements of Revenues, Expenses and Fund Balances**  
**Transportation Planning Funds**  
**Year Ended June 30, 2018**

	<b>FTA Planning</b>	<b>FHWA Planning</b>	<b>FTA Transportation Model</b>	<b>FTA - Alternative Analysis Peoria/ Riverside</b>	<b>FTA OKVA RouteMatch</b>	<b>Section 5310 FY15</b>	<b>Section 5310 FY14</b>	<b>Section 5310 FY13</b>
<b>Revenues</b>								
Federal grants	\$ 238,620	\$ 835,008	\$ 13,550	\$ 23,603	\$ 6,000	\$ 312,032	\$ 198,758	\$ 49,139
State grants and appropriations	-	-	-	-	-	-	-	-
Local charges and services	-	-	-	5,997	1,500	-	-	-
Members' dues and Assessments	-	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-	-	-
Match revenue	60,509	210,502	3,388	-	-	(1)	-	2
Total Revenues	<u>299,129</u>	<u>1,045,510</u>	<u>16,938</u>	<u>29,600</u>	<u>7,500</u>	<u>312,031</u>	<u>198,758</u>	<u>49,141</u>
<b>Expenses</b>								
Salaries	131,603	460,100	-	-	-	-	13,364	8,793
Fringe benefits	79,052	276,409	-	-	-	-	8,096	5,283
Indirect costs	74,485	260,415	-	-	-	-	(228)	4,977
Travel	1,321	4,617	-	29,600	-	-	-	-
Other expense	12,027	41,724	-	-	-	-	-	-
Program costs	641	2,245	16,938	-	7,500	-	-	-
Pass-through grants	-	-	-	-	-	312,031	177,526	30,088
Capital Outlays	-	-	-	-	-	-	-	-
Total Expenses	<u>299,129</u>	<u>1,045,510</u>	<u>16,938</u>	<u>29,600</u>	<u>7,500</u>	<u>312,031</u>	<u>198,758</u>	<u>49,141</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Indian Nations Council of Governments**  
**Combining Statements of Revenues, Expenses and Fund Balances**  
**Transportation Planning Funds**  
**Year Ended June 30, 2018**

	<b>New OKVA Program II</b>	<b>CMAQ Ozone Alert</b>	<b>CMAQ Carpool/ Vanpool</b>	<b>City of Tulsa Bike Share</b>	<b>Tulsa Bike/Pedestrian Safety</b>	<b>All Other Transportation Planning Funds</b>	<b>Total Transportation Planning Funds</b>
<b>Revenues</b>							
Federal grants	\$ 36,966	\$ 53,512	\$ 33,578	\$ -	\$ 39,211	\$ 244,420	\$ 2,084,397
State grants and appropriations	-	-	-	-	-	-	-
Local charges and services	-	-	-	250,000	-	208,319	465,816
Members' dues and Assessments	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-	-
Match revenue	7,946	13,378	-	-	490	(2,546)	293,668
Total Revenues	<u>44,912</u>	<u>66,890</u>	<u>33,578</u>	<u>250,000</u>	<u>39,701</u>	<u>450,193</u>	<u>2,843,881</u>
<b>Expenses</b>							
Salaries	17,447	-	10,845	-	18,319	448	660,919
Fringe benefits	10,414	-	6,515	-	11,005	268	397,042
Indirect costs	9,851	-	6,138	-	10,368	255	366,261
Travel	-	-	-	-	-	(1)	35,537
Other expense	-	61,528	-	-	9	349	115,637
Program costs	-	5,362	10,080	-	-	170,309	213,075
Pass-through grants	7,200	-	-	250,000	-	278,565	1,055,410
Capital Outlays	-	-	-	-	-	-	-
Total Expenses	<u>44,912</u>	<u>66,890</u>	<u>33,578</u>	<u>250,000</u>	<u>39,701</u>	<u>450,193</u>	<u>2,843,881</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Transportation Planning Funds**  
**June 30, 2017**

	<b>FTA Planning</b>	<b>FHWA Planning</b>	<b>FTA Transportation Model</b>	<b>FTA Alternative Analysis Peoria/ Riverside</b>	<b>FTA OKVA RouteMatch</b>	<b>Section 5310 FY14</b>	<b>Section 5310 FY13</b>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	37,395	115,242	9,675	11,234	-	14,814	4,232
Due from Other Fund	-	-	-	7,679	7,150	-	-
Prepaid Expenses	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Total Assets	<u>37,395</u>	<u>115,242</u>	<u>9,675</u>	<u>18,913</u>	<u>7,150</u>	<u>14,814</u>	<u>4,232</u>
<b>Liabilities</b>							
Accounts payable and Accrued exp.	623	1,921	-	-	-	1,981	1,346
Due to other fund	36,772	113,321	9,675	11,234	-	12,833	2,886
Unearned revenue	-	-	-	7,679	7,150	-	-
Total Liabilities	<u>37,395</u>	<u>115,242</u>	<u>9,675</u>	<u>18,913</u>	<u>7,150</u>	<u>14,814</u>	<u>4,232</u>
<b>Fund Balance</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 37,395</u>	<u>\$ 115,242</u>	<u>\$ 9,675</u>	<u>\$ 18,913</u>	<u>\$ 7,150</u>	<u>\$ 14,814</u>	<u>\$ 4,232</u>

**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Transportation Planning Funds**  
**June 30, 2017**

	<b>New OKVA Program II</b>	<b>CMAQ Ozone Alert</b>	<b>CMAQ Carpool/ Vanpool</b>	<b>Tulsa Bike/Pedestrian Safety</b>	<b>All Other Transportation Planning Funds</b>	<b>Total Transportation Planning Funds</b>
<b>Assets</b>						
Cash	\$ -	\$ -	\$ -	\$ 4,534	\$ -	\$ 4,534
Investments	-	-	-	-	-	-
Accounts receivable	2,314	19,934	11,506	-	23,167	249,513
Due from Other Fund	-	-	-	-	283,841	298,670
Prepaid Expenses	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
<b>Total Assets</b>	<b>2,314</b>	<b>19,934</b>	<b>11,506</b>	<b>4,534</b>	<b>307,008</b>	<b>552,717</b>
<b>Liabilities</b>						
Accounts payable						-
and Accrued exp.	-	2,348	-	4,534	-	12,753
Due to other fund	2,314	17,586	11,506	-	23,172	241,299
Unearned revenue	-	-	-	-	283,836	298,665
<b>Total Liabilities</b>	<b>2,314</b>	<b>19,934</b>	<b>11,506</b>	<b>4,534</b>	<b>307,008</b>	<b>552,717</b>
<b>Fund Balance</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
 Total Liabilities and Fund Balance	 <b>\$ 2,314</b>	 <b>\$ 19,934</b>	 <b>\$ 11,506</b>	 <b>\$ 4,534</b>	 <b>\$ 307,008</b>	 <b>\$ 552,717</b>

**Indian Nations Council of Governments**  
**Combining Statements of Revenues, Expenses and Fund Balances**  
**Transportation Planning Funds**  
**Year Ended June 30, 2017**

	<b>FTA Planning</b>	<b>FHWA Planning</b>	<b>FTA Transportation Model</b>	<b>FTA - Alternative Analysis Peoria/ Riverside</b>	<b>FTA OKVA RouteMatch</b>	<b>Section 5310 FY14</b>	<b>Section 5310 FY13</b>
<b>Revenues</b>							
Federal grants	\$ 230,255	\$ 709,569	\$ 25,588	\$ 36,353	\$ 10,100	\$ 347,481	\$ 391,277
State grants and appropriations	-	-	-	-	-	-	-
Local charges and services	-	-	-	9,087	2,525	-	-
Members' dues and Assessments	-	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-	-
Match revenue	57,572	177,400	6,399	-	-	1	1
Total Revenues	<u>287,827</u>	<u>886,969</u>	<u>31,987</u>	<u>45,440</u>	<u>12,625</u>	<u>347,482</u>	<u>391,278</u>
<b>Expenses</b>							
Salaries	130,286	401,471	-	-	-	-	18,497
Fringe benefits	72,711	224,059	-	-	-	-	10,323
Indirect costs	69,540	214,284	-	-	-	-	9,872
Travel	2,805	8,647	-	45,440	-	-	-
Other expense	11,718	36,149	-	-	-	-	-
Program costs	767	2,359	31,987	-	12,625	-	-
Pass-through grants	-	-	-	-	-	347,482	352,586
Capital Outlays	-	-	-	-	-	-	-
Total Expenses	<u>287,827</u>	<u>886,969</u>	<u>31,987</u>	<u>45,440</u>	<u>12,625</u>	<u>347,482</u>	<u>391,278</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<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 Statements of Revenues, Expenses and Fund Balances**  
**Transportation Planning Funds**  
**Year Ended June 30, 2017**

	<b>New OKVA Program II</b>	<b>CMAQ Ozone Alert</b>	<b>CMAQ Carpool/ Vanpool</b>	<b>Tulsa Bike/Pedestrian Safety</b>	<b>All Other Transportation Planning Funds</b>	<b>Total Transportation Planning Funds</b>
<b>Revenues</b>						
Federal grants	\$ 58,262	\$ 69,043	\$ 85,468	\$ 39,044	\$ 86,586	\$ 2,089,026
State grants and appropriations	-	-	-	-	-	-
Local charges and services	-	-	-	-	7,304	18,916
Members' dues and Assessments	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-
Match revenue	2,865	17,263	-	-	3,162	264,663
Total Revenues	<u>61,127</u>	<u>86,306</u>	<u>85,468</u>	<u>39,044</u>	<u>97,052</u>	<u>2,372,605</u>
<b>Expenses</b>						
Salaries	6,849	-	37,085	10,395	11,001	615,584
Fringe benefits	3,822	-	20,697	5,801	6,139	343,552
Indirect costs	3,655	-	19,794	5,548	5,875	328,568
Travel	-	-	-	2,470	4,104	63,466
Other expense	-	67,277	-	7,830	(3)	122,971
Program costs	-	19,029	7,892	7,000	11,946	93,605
Pass-through grants	46,801	-	-	-	57,990	804,859
Capital Outlays	-	-	-	-	-	-
Total Expenses	<u>61,127</u>	<u>86,306</u>	<u>85,468</u>	<u>39,044</u>	<u>97,052</u>	<u>2,372,605</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**REAP Funds**  
**June 30, 2018**

	<b>2011 REAP</b>	<b>2013 REAP</b>	<b>2014 REAP</b>	<b>2015 REAP</b>	<b>2016 REAP</b>	<b>2017 REAP</b>	<b>2018 REAP</b>	<b>REAP Administration</b>	<b>Total REAP Funds</b>
<b>Assets</b>									
Cash	\$ 21,510	\$ -	\$ 10,448	\$ 55,642	\$ 129,759	\$ 143,669	\$ 450,263	\$ (156,645)	\$ 654,646
Investments	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	181,576	181,576
Due from Other Fund	-	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-
Total Assets	<u>21,510</u>	<u>-</u>	<u>10,448</u>	<u>55,642</u>	<u>129,759</u>	<u>143,669</u>	<u>450,263</u>	<u>24,931</u>	<u>836,222</u>
<b>Liabilities</b>									
Accounts payable and Accrued exp.	-	-	-	-	-	-	-	23,017	23,017
Due to other fund	-	-	-	-	-	-	-	1,914	1,914
Unearned revenue	21,510	-	10,448	55,642	129,759	143,669	450,263	-	811,291
Total Liabilities	<u>21,510</u>	<u>-</u>	<u>10,448</u>	<u>55,642</u>	<u>129,759</u>	<u>143,669</u>	<u>450,263</u>	<u>24,931</u>	<u>836,222</u>
<b>Fund Balance</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 21,510</u>	<u>\$ -</u>	<u>\$ 10,448</u>	<u>\$ 55,642</u>	<u>\$ 129,759</u>	<u>\$ 143,669</u>	<u>\$ 450,263</u>	<u>\$ 24,931</u>	<u>\$ 836,222</u>

**Indian Nations Council of Governments**  
**Combining Statements of Revenues, Expenses and Fund Balances**  
**REAP Funds**  
**Year Ended June 30, 2018**

	2011 REAP	2013 REAP	2014 REAP	2015 REAP	2016 REAP	2017 REAP	2018 REAP	REAP Administration	Total REAP Funds
<b>Revenues</b>									
State grants	\$ 18,491	\$ 53,510	\$ 88,402	\$ 161,909	\$ 143,469	\$ 333,560	\$ 47,136	\$ 22,969	\$ 869,446
Interest revenue	-	-	-	-	-	-	-	-	-
Match revenue	-	-	-	-	-	-	-	9,568	9,568
Total Revenues	<u>18,491</u>	<u>53,510</u>	<u>88,402</u>	<u>161,909</u>	<u>143,469</u>	<u>333,560</u>	<u>47,136</u>	<u>32,537</u>	<u>879,014</u>
<b>Expenses</b>									
Salaries	-	-	-	-	-	-	-	14,760	14,760
Fringe benefits	-	-	-	-	-	-	-	8,867	8,867
Indirect costs	-	-	-	-	-	-	-	8,354	8,354
Travel	-	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	-	556	556
Program costs	-	-	-	-	-	-	-	-	-
Pass-through grants	18,491	53,510	88,402	161,909	143,469	333,560	47,136	-	846,477
Capital Outlays	-	-	-	-	-	-	-	-	-
Total Expenses	<u>18,491</u>	<u>53,510</u>	<u>88,402</u>	<u>161,909</u>	<u>143,469</u>	<u>333,560</u>	<u>47,136</u>	<u>32,537</u>	<u>879,014</u>
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<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>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**REAP Funds**  
**June 30, 2017**

	<b>2011 REAP</b>	<b>2013 REAP</b>	<b>2014 REAP</b>	<b>2015 REAP</b>	<b>2016 REAP</b>	<b>2017 REAP</b>	<b>REAP Administration</b>	<b>Total REAP Funds</b>
<b>Assets</b>								
Cash	\$ 40,000	\$ 53,510	\$ 98,850	\$ 217,551	\$ 273,229	\$ 477,229	\$ (467,846)	\$ 692,523
Investments	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	470,626	470,626
Due from Other Fund	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-
Total Assets	<u>40,000</u>	<u>53,510</u>	<u>98,850</u>	<u>217,551</u>	<u>273,229</u>	<u>477,229</u>	<u>2,780</u>	<u>1,163,149</u>
<b>Liabilities</b>								
Accounts payable and Accrued exp.	-	-	-	-	-	-	805	805
Due to other fund	-	-	-	-	-	-	1,976	1,976
Unearned revenue	40,000	53,510	98,850	217,551	273,229	477,229	(1)	1,160,368
Total Liabilities	<u>40,000</u>	<u>53,510</u>	<u>98,850</u>	<u>217,551</u>	<u>273,229</u>	<u>477,229</u>	<u>2,780</u>	<u>1,163,149</u>
<b>Fund Balance</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 40,000</u>	<u>\$ 53,510</u>	<u>\$ 98,850</u>	<u>\$ 217,551</u>	<u>\$ 273,229</u>	<u>\$ 477,229</u>	<u>\$ 2,780</u>	<u>\$ 1,163,149</u>

**Indian Nations Council of Governments**  
**Combining Statements of Revenues, Expenses and Fund Balances**  
**REAP Funds**  
**Year Ended June 30, 2017**

	2011 REAP	2013 REAP	2014 REAP	2015 REAP	2016 REAP	2017 REAP	REAP Administration	Total REAP Funds
<b>Revenues</b>								
State grants	\$ 47	\$ 7,471	\$ 82,956	\$ 119,223	\$ 168,479	\$ -	\$ 24,678	\$ 402,854
Interest revenue	-	-	-	-	-	-	-	-
Match revenue	-	-	-	-	-	-	5,682	5,682
Total Revenues	47	7,471	82,956	119,223	168,479	-	30,360	408,536
<b>Expenses</b>								
Salaries	-	-	-	-	-	-	14,230	14,230
Fringe benefits	-	-	-	-	-	-	7,941	7,941
Indirect costs	-	-	-	-	-	-	7,595	7,595
Travel	-	-	-	-	-	-	-	-
Other expense	-	-	-	-	-	-	594	594
Program costs	-	-	-	-	-	-	-	-
Pass-through grants	47	7,471	82,956	119,223	168,479	-	-	378,176
Capital Outlays	-	-	-	-	-	-	-	-
Total Expenses	47	7,471	82,956	119,223	168,479	-	30,360	408,536
<b>Net Change in Fund Balances</b>	-	-	-	-	-	-	-	-
Principal received on notes receivable	-	-	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Clean Cities Funds**  
**June 30, 2018**

	ODOC	EE & RE	NCTCOG	SSEP Revolving Loan	All Other Clean Cities Funds	Total Clean Cities Funds
<b>Assets</b>						
Cash	\$ -	\$ -	\$ -	\$ 577,730	\$ 1,884	\$ 579,614
Investments	-	-	-	-	-	-
Accounts receivable	-	11,250	-	-	-	11,250
Due from Other Fund	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Total Assets	-	11,250	-	577,730	1,884	590,864
<b>Liabilities</b>						
Accounts payable						-
and Accrued exp.	-	-	-	10,471	1,884	12,355
Due to other fund	-	11,250	-	12,680	-	23,930
Unearned revenue	-	-	-	251,662	-	251,662
Total Liabilities	-	11,250	-	274,813	1,884	287,947
<b>Fund Balance</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	302,917	-	302,917
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balance	-	-	-	302,917	-	302,917
Total Liabilities and Fund Balance	\$ -	\$ 11,250	\$ -	\$ 577,730	\$ 1,884	\$ 590,864

**Indian Nations Council of Governments**  
**Combining Statements of Revenues, Expenses and Fund Balances**  
**Clean Cities Funds**  
**Year Ended June 30, 2018**

	<b>ODOC</b>	<b>EE &amp; RE</b>	<b>NCTCOG</b>	<b>SSEP Revolving Loan</b>	<b>All Other Clean Cities Funds</b>	<b>Total Clean Cities Funds</b>
<b>Revenues</b>						
Federal grants	\$ 40,000	\$ 56,250	\$ 32,316	\$ 413,734	\$ -	\$ 542,300
State grants and appropriations	-	-	-	-	-	-
Local charges and services	-	-	-	-	550	550
Members' dues and Assessments	-	-	-	-	-	-
Interest revenue	-	-	-	20,802	-	20,802
Match revenue	8,032	(12,736)	(884)	(50)	133,416	127,778
Total Revenues	<u>48,032</u>	<u>43,514</u>	<u>31,432</u>	<u>434,486</u>	<u>133,966</u>	<u>691,430</u>
<b>Expenses</b>						
Salaries	22,168	19,120	8,507	4,810	50,255	104,860
Fringe benefits	13,317	11,487	5,110	2,889	30,191	62,994
Indirect costs	12,547	10,822	4,815	2,722	28,445	59,351
Travel	-	1,409	-	-	34	1,443
Other expense	-	676	-	259,943	3,831	264,450
Contracts	-	-	13,000	-	21,210	34,210
Pass-through grants	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-
Total Expenses	<u>48,032</u>	<u>43,514</u>	<u>31,432</u>	<u>270,364</u>	<u>133,966</u>	<u>527,308</u>
<b>Net Change in Fund Balances</b>	-	-	-	164,122	-	164,122
Principal received on notes receivable	-	-	-	-	-	-
Change in OPEB Obligation	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	138,795	-	138,795
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 302,917</u>	<u>\$ -</u>	<u>\$ 302,917</u>

**Indian Nations Council of Governments**  
**Combining Balance Sheets**  
**Clean Cities Funds**  
**June 30, 2017**

	ODOC	EE & RE	NCTCOG	SSEP Revolving Loan	All Other Clean Cities Funds	Total Clean Cities Funds
<b>Assets</b>						
Cash	\$ -	\$ 11	\$ -	\$ 707,336	\$ -	\$ 707,347
Investments	-	-	-	-	-	-
Accounts receivable	-	-	12,744	-	-	12,744
Due from Other Fund	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Total Assets	-	11	12,744	707,336	-	720,091
<b>Liabilities</b>						
Accounts payable	-	-	-	-	-	-
and Accrued exp.	-	11	-	-	-	11
Due to other fund	-	-	12,744	12,680	-	25,424
Unearned revenue	-	-	-	555,861	-	555,861
Total Liabilities	-	11	12,744	568,541	-	581,296
<b>Fund Balance</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	138,795	-	138,795
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balance	-	-	-	138,795	-	138,795
Total Liabilities and Fund Balance	\$ -	\$ 11	\$ 12,744	\$ 707,336	\$ -	\$ 720,091

**Indian Nations Council of Governments**  
**Combining Statements of Revenues, Expenses and Fund Balances**  
**Clean Cities Funds**  
**Year Ended June 30, 2017**

	<b>ODOC</b>	<b>EE &amp; RE</b>	<b>NCTCOG</b>	<b>SSEP Revolving Loan</b>	<b>All Other Clean Cities Funds</b>	<b>Total Clean Cities Funds</b>
<b>Revenues</b>						
Federal grants	\$ 40,000	\$ 45,000	\$ 86,742	\$ 94,702	\$ 4,584	\$ 271,028
State grants and appropriations	-	-	-	-	-	-
Local charges and services	-	-	-	-	3,100	3,100
Members' dues and Assessments	-	-	-	-	-	-
Interest revenue	-	-	-	9,997	-	9,997
Match revenue	8,438	15,125	2,116	-	136,661	162,340
Total Revenues	<u>48,438</u>	<u>60,125</u>	<u>88,858</u>	<u>104,699</u>	<u>144,345</u>	<u>446,465</u>
<b>Expenses</b>						
Salaries	22,977	28,216	17,384	-	58,483	127,060
Fringe benefits	12,824	15,747	9,702	-	32,638	70,911
Indirect costs	12,264	15,060	9,279	-	31,215	67,818
Travel	214	1,079	221	-	208	1,722
Other expense	48	23	272	28,506	1,816	30,665
Contracts	111	-	52,000	-	19,985	72,096
Pass-through grants	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-
Total Expenses	<u>48,438</u>	<u>60,125</u>	<u>88,858</u>	<u>28,506</u>	<u>144,345</u>	<u>370,272</u>
<b>Net Change in Fund Balances</b>	-	-	-	76,193	-	76,193
Principal received on notes receivable	-	-	-	61,196	-	61,196
Change in OPEB Obligation	-	-	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,406</u>	<u>-</u>	<u>1,406</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,795</u>	<u>\$ -</u>	<u>\$ 138,795</u>



**Indian Nations Council of Governments**  
**Schedule of Indirect Costs**  
**June 30, 2018**

	<u>Indirect Costs</u>
Indirect Salaries	\$ 418,152
Employee Benefits	251,204
Indirect Personnel Costs	<u>669,356</u>
Accounting & Audit	19,000
Contract Services	72,507
Rental of office space	285,063
Rental of office equipment	7,656
Travel	4,833
Lodging	2,874
Per diem	1,918
Luncheons & meeting	3,868
Training & Tuition	4,764
Depreciation & amortization	40,454
Consumable supplies	18,956
Insurance	28,977
Reproduction	14,425
Repair & Maint. Office Equip.	6,150
Vehicle expense	4,027
Recruitment	584
Telephone	12,576
Postage & freight	2,509
Bank service charge	50
Publications	468
Professional dues	8,820
Computer expense	<u>3,443</u>
Total Indirect Costs	<u><u>\$ 1,213,278</u></u>

The actual indirect cost reimbursement rate would have been 33.3704% for the year ended June 30, 2018, based upon final audited information.

**Indian Nations Council of Governments**  
**Schedule of Proportionate Share of the Net Pension Liability - Last 10 Fiscal Years\***  
**For the Years Ended June 30, 2018 and 2017**

<b>Year</b>	<b>INCOG's proportion of net pension liability</b>	<b>INCOG's proportionate share of net pension liability</b>	<b>INCOG's covered payroll</b>	<b>INCOG's proportionate share of net pension liability as a percentage of its covered payroll</b>	<b>Plan fiduciary net position as a percentage of total pension liability</b>
2018	2.5475%	\$ 5,078,139	\$ 2,279,456	223%	70.61%
2017	2.5703%	5,001,270	2,234,072	224%	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 Years Ended June 30, 2018 and 2017**

<b>Year</b>	<b>Contractually Required Contributions</b>	<b>Actual Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contributions as a Percentage of Covered Payroll</b>
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 Years Ended June 30, 2018**

<b>Year</b>	<b>INCOG's proportion of total OPEB liability</b>	<b>INCOG's proportionate share of total OPEB liability</b>	<b>INCOG's covered payroll</b>	<b>INCOG's proportionate share of total OPEB liability as a percentage of its covered payroll</b>	<b>Plan fiduciary net position as a percentage of total OPEB liability</b>
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 Years Ended June 30, 2018**

<b>Year</b>	<b>Contractually Required Contributions</b>	<b>Actual Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contributions as a Percentage of Covered Payroll</b>
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.



**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  
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, 2018, and the related notes to the financial statements, which collectively comprise INCOG's basic financial statements, and have issued our report thereon dated February 21, 2019.

**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.

Hill & Company, PC

Tulsa, Oklahoma  
February 21, 2019



**Indian Nations Council of Governments**  
**Schedule of Federal Awards**  
**June 30, 2018**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures	Subrecipient Expenditures
<b>FEDERAL PROGRAMS</b>				
<u>U. S. Department of Transportation</u>				
Direct Program -				
<i>Transit Services Program Cluster</i>				
Job Access-Reverse Commute (JARC)	20.516	OK-37-X047-00 / FY10 OK-37-X050-00 / FY12	\$ 12,273 75	\$ 12,273 75
Section 5310	20.513	OK-16-X011-00 / FY13 OK-2016-009-00 OK-2017-011-00	49,139 198,758 312,031	30,088 177,526 312,031
<i>Subtotal Transit Services Program Cluster</i>			572,276	531,993
<i>Other Programs</i>				
OK Vets Transit Program	20.500	OK-04-0019-00 OK-04-0024-00	15,325 36,966	9,325 7,200
			52,291	16,525
	25.514	OK-26-0009-00	38,647	-
Peoria Ave - Riverside Drive AA	20.522	OK-39-0002-00	23,603	-
<i>Subtotal Other Programs</i>			114,541	16,525
Pass-Through Program From:				
Oklahoma Department of Transportation				
Long Term Transportation Planning -	20.205	0060 042 JP 11738(32) 0060 042 JP 11738(32) 0060 042 JP 11738(32) 0060 042 JP 11738(32)	1,073,628 50,000 13,550 7,950	- - - -
Congestion Mitigation-Air Quality (CMAQ)		CMAQ-272E(157)IG JP 19017(09) CMAQ-272E(158)IG JP29034(06) CMAQ-272E(159)IG JP 29635(05)	53,512 27,644 34,048	- - 34,048
		CMAQ-272E (155)IG JP 19018(09) CMAQ-272E(156)IG JP 24350(07)	64,459 33,578	64,459 -
<i>Subtotal</i>			1,358,369	98,507
	20.600	PS-15-02-01-01	39,211	-
<i>Subtotal</i>			1,397,580	98,507
Total U.S. Department of Transportation			2,084,397	647,025
<u>U. S Department of Energy</u>				
Direct Program -				
Clean Cities Outreach	81.086	DE-EE0007455	56,250	-
<i>Subtotal</i>			56,250	-
Pass-Through Program From:				
North Central Texas Council of Governments				
Conservation Research & Development	81.086	FCG-2015-INCOG-02	32,316	-
			32,316	-
Oklahoma Department of Commerce -				
Revolving Loan (ARRA)	81.041	Beginning Balance Activity Ending Balance	933,263 135,380 1,068,643	- - -
		Revolving Loan Admin	10,471	-
State Energy Program	81.041	16785 SEP 16	40,000	-
<i>Subtotal</i>			40,000	-
Total U.S. Department of Energy			\$ 274,417	\$ -



**Indian Nations Council of Governments**  
**Schedule of Federal Awards**  
**June 30, 2018**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures	Subrecipient Expenditures
<b><u>U.S. Department of Health and Human Services</u></b>				
Pass-Through Program From:				
Oklahoma Department of Mental Health				
Substance Abuse and Mental Health Service	93.243	1H79SM061656-01	\$ 634,673	\$ 562,682
<i>Subtotal</i>			634,673	562,682
Oklahoma Department of Human Services				
<i>Aging Cluster</i>				
Area Agency on Aging Title III Part B	93.044	PA# 15004956	662,405	506,458
Area Agency on Aging Title III Part C	93.045	PA# 15004956	1,272,907	1,161,203
Area Agency on Aging NSIP	93.053	PA# 15004956	244,322	244,322
<i>Subtotal Aging Cluster</i>			2,179,634	1,911,983
<i>Other Programs</i>				
Area Agency on Aging Title III Part D	93.043	PA# 15004956	40,866	40,866
Area Agency on Aging Title III Part E	93.052	PA# 15004956	260,449	235,815
Area Agency on Aging Title VII	93.041	PA# 15004956	10,627	-
<i>Subtotal</i>			311,942	276,681
Medicare Improvements for Patients and Providers (MIPPA)	93.518	PA# 18009639	2,863	-
<i>Subtotal</i>			2,863	-
Pass-Through Program From:				
University of Oklahoma				
Aging in Place	93.866	1R15AG048535-01	1,371	-
<i>Subtotal</i>			1,371	-
Total U.S. Department of Health and Human Services			3,130,483	2,751,346
<b><u>U.S. Department of Commerce</u></b>				
Direct Program -				
Title II, Section 203 Planning Assistance: Continuation Planning	11.302	FED17AUS3020006	93,932	-
Total U.S. Department of Commerce			93,932	-
Total Expenditures of Federal Awards			\$ 5,583,229	\$ 3,398,371

**Indian Nations Council of Governments**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2018**

**Note A:      Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Indian Nations Council of Governments for the year ended June 30, 2017. 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 Indian Nations Council of Governments, it is not intended to and does not present the financial position, changes in net position, or cash flows of Indian Nations Council of Governments.

**Note B:      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 C:      Indirect Cost Rate**

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



**HINKLE &  
COMPANY**

Strategic PC  
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  
Indian Nations Council of Governments  
Tulsa, Oklahoma

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

We have audited the INCOG compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the INCOG's major federal programs for the year ended June 30, 2018. INCOG's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the INCOG'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 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 INCOG'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 INCOG's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the INCOG 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, 2018.

### **Report on Internal Control Over Compliance**

Management of the INCOG 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 INCOG'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 INCOG'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 INCOG as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the INCOG's basic financial statements. We issued our report thereon dated February 21, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion 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.

*Hill & Company, PC*

Tulsa, Oklahoma  
February 21, 2019





**Indian Nations Council of Governments  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2018**

(Continued)

**Summary of Auditors' 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, 2018 period.

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

None to report for the June 30, 2018 period.

**Indian Nations Council of Governments  
Summary Schedule of Prior Audit Findings  
June 30, 2018**

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

None to report for the June 30, 2017 period.

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

None to report for the June 30, 2017 period.