



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

**NATIONAL INDIAN
COUNCIL ON AGING, INC.**

**INDEPENDENT AUDITOR'S REPORT,
AND FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2019,
With Comparative Totals for 2018**

**NATIONAL INDIAN COUNCIL ON AGING, INC.
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NATIONAL INDIAN COUNCIL ON AGING, INC.
OFFICIAL ROSTER
As of June 30, 2019

Board of Directors

Name	Title
James DeLaCruz, Sr.	Chairman - Northwest Region
Eddie Tullis	Vice Chairman - Eastern Region
Billie Tohee	Secretary - Southern Plains Region
Benjamin Charley	Treasurer - Pacific Region
Phyllis Antone	Member - Western Region
Ralph Bennett, Jr.	Member - Navajo Region
Betti Delrow	Member - Navajo Alternate
Mary Jo Hunter	Member - Midwest Region
Martha Renville	Member - Great Plains Region
Edna Riley	Member - Alaska Region
Lillian Thomas	Member - Eastern Oklahoma Region
Lucia Trujillo	Member - Southwest Region
Vacant	Member - Rocky Mountain Region

Administration

Name	Title
Larry Curley	Executive Director
Jeannine White	Finance Director



INDEPENDENT AUDITOR’S REPORT

Board of Directors
National Indian Council on Aging, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of National Indian Council on Aging, Inc. (NICOA) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NICOA as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

NICOA adopted FASB accounting standards update (ASU) 2016-14. Presentation of Financial Statements of Not-For-Profit Entities, as described in Note 1C. The changes required by the update have been applied retrospectively to all periods presented.

Report on Summarized Comparative Information

We have previously audited NICOA's 2018 financial statements, and our report dated March 7, 2019 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters**Supplementary Information**

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

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2020, on our consideration of NICOA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NICOA's internal control over financial reporting and compliance.



Hinkle + Landers, P.C.
Albuquerque, NM
January 24, 2020

NATIONAL INDIAN COUNCIL ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
As of June 30, 2019, with Comparative Totals for 2018

	Notes	2019	2018
ASSETS			
<i>Current assets</i>			
Cash, restricted cash, and cash equivalents	2	\$ 237,874	32,250
Grants receivable	3	355,089	120,650
Other accounts receivable, net	3	7,221	66,035
Prepaid expenses	1-H	17,230	54,467
Security deposits		8,483	9,083
Total current assets		625,897	282,485
 Property and equipment, net	 4	 -	 -
Total assets		\$ 625,897	282,485
 LIABILITIES AND NET ASSETS			
<i>Current liabilities</i>			
Accounts payable		\$ 43,663	46,620
Payroll related liabilities and compensated absences	5	111,855	96,121
Deferred revenues	6	1,004	50,997
Total liabilities		156,522	193,738
 NET ASSETS			
<i>Without donor restrictions</i>			
Undesignated		83,616	88,747
<i>With donor restrictions</i>			
Purpose/time restricted net assets	7	385,759	-
Total liabilities and net assets		\$ 625,897	282,485

The independent auditor's report and accompanying notes are an integral part of these financial statements.

NATIONAL INDIAN COUNCIL ON AGING, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019, with Comparative Totals for 2018

SUPPORT AND REVENUE	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Federal grants	\$ -	3,655,138	3,655,138	4,097,363
Foundation grants	-	450,000	450,000	-
Conference revenue	227,852	-	227,852	-
Donations	82,238	-	82,238	85,793
Membership dues	50,400	-	50,400	30,500
Other revenue	4,318	-	4,318	1,624
In-kind contributions (services)	494,642	-	494,642	446,096
Total support and revenue	859,450	4,105,138	4,964,588	4,661,376
Net assets released from restrictions	3,719,379	(3,719,379)	-	-
EXPENSES				
Program services				
Senior Community Service Employment	3,928,262	-	3,928,262	3,801,722
Administration for Community Living	221,471	-	221,471	234,311
SSAI Sub-Grant	-	-	-	507,422
Diverse Elder Coalition	7,400	-	7,400	-
Wells Fargo Foundation	56,840	-	56,840	-
Total program services	4,213,973	-	4,213,973	4,543,455
Management and general	349,866	-	349,866	268,010
Fundraising	20,121	-	20,121	15,537
Total expenses	4,583,960	-	4,583,960	4,827,002
Change in net assets	(5,131)	385,759	380,628	(165,626)
Net assets, beginning of year	88,747	-	88,747	254,373
Net assets, end of year	83,616	385,759	469,375	88,747

The independent auditor's report and accompanying notes are an integral part of these financial statements.

NATIONAL INDIAN COUNCIL ON AGING, INC.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2019, with Comparative Totals for 2018

	2019	2018
Cash Flow From Operating Activities		
Cash receipts from grants	\$ 3,870,699	4,275,724
Cash receipts from conference	227,852	-
Cash receipts from membership dues	50,400	30,500
Cash receipts from donations	82,238	85,793
Cash receipts from other	63,132	14,988
Cash paid to employees and suppliers	(4,088,697)	(4,439,522)
Cash provided by (used for) operating activities	\$ 205,624	(32,517)
Cash Flows From Investing Activities		
None		
Cash Flows From Financing Activities		
None		
Net increase (decrease)	205,624	(32,517)
Cash, restricted cash, and cash equivalents at beginning of year	32,250	64,767
Cash, restricted cash, and cash equivalents at end of year	\$ 237,874	32,250

**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY
OPERATING ACTIVITIES**

Change in net assets	\$ 380,628	(165,626)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increases) decreases in operating assets:		
(Increase) decrease in grant receivables	(234,439)	178,361
(Increase) decrease in other receivables	58,814	13,364
(Increase) decrease in prepaid expense	37,237	1,153
(Increase) decrease in security deposits	600	3,053
Increase (decrease) in operating liabilities:		
Increase (decrease) in accounts payable	(2,957)	(59,007)
Increase (decrease) in due to federal government	-	-
Increase (decrease) in deferred revenue	(49,993)	40,997
Increase (decrease) in accrued wages and benefits	15,734	(44,812)
Cash provided by (used for) operating activities	\$ 205,624	(32,517)

The independent auditor's report and accompanying notes are an integral part of these financial statements.

NATIONAL INDIAN COUNCIL ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2019, With Comparative Totals For 2018

	Program Services					Management and General					2019 Total	2018 Total
	Senior Community Service Empl.	Admin. for Comm. Living Nat. Minority Aging Orgs	Diverse Elders Coal.	Wells Fargo Fndn.	Total Program Services	Org. Activities	Supporting Services	Total Mgt. and General	Fund- Raising			
Salaries and wages	\$ 2,694,242	76,693	1,826	5,787	2,778,548	60,528	227,358	287,886	7,743	3,074,177	3,427,750	
Payroll taxes and employee benefits	381,647	24,565	568	1,243	408,023	15,359	55,122	70,481	2,102	480,606	607,144	
Total salaries, payroll taxes and employee benefits	3,075,889	101,258	2,394	7,030	3,186,571	75,887	282,480	358,367	9,845	3,554,783	4,034,894	
Travel-staff/board	50,670	8,637	-	26,342	85,649	10,942	-	10,942	3,265	99,856	54,716	
Office/storage rent	38,084	11,356	173	848	50,461	2,464	27,269	29,733	1,222	81,416	83,221	
Conference meals/bags	-	-	-	-	-	74,133	-	74,133	-	74,133	324	
Professional/legal/auditing services	8,600	21,714	-	-	30,314	1,188	37,328	38,516	3,280	72,110	62,742	
Technical/software support	17,190	3,477	115	566	21,348	1,938	12,135	14,073	822	36,243	39,204	
Office supplies/expenses	13,616	924	13	231	14,784	854	3,051	3,905	106	18,795	8,631	
Telephone	12,323	1,771	33	124	14,251	630	3,561	4,191	287	18,729	20,802	
Outreach materials	2,451	16,124	-	-	18,575	-	-	-	-	18,575	1,102	
Postage/printing expense	8,507	2,672	827	43	12,049	2,212	616	2,828	77	14,954	12,419	
Insurances	4,548	874	23	115	5,560	6,289	1,771	8,060	135	13,755	11,591	
Internet service/communications	8,797	1,493	24	266	10,580	340	1,498	1,838	182	12,600	8,451	
Non-capital furniture/equipment	7,217	942	46	224	8,429	374	2,219	2,593	98	11,120	3,082	
State taxes/fees/registrations	-	-	-	8,402	8,402	110	(28)	82	494	8,978	318	
Equipment rental	5,880	826	11	105	6,822	192	1,530	1,722	81	8,625	6,990	
Bank service charge	-	-	-	-	-	1,993	6,286	8,279	-	8,279	6,840	
Equipment maintenance	4,583	782	18	89	5,472	317	1,929	2,246	121	7,839	8,664	
Membership/subscriptions	-	225	2,000	-	2,225	6,753	767	7,520	-	9,745	3,281	
Staff development	2,554	398	-	-	2,952	205	1,244	1,449	-	4,401	5,662	
Moving expense	-	-	-	-	-	4,000	-	4,000	-	4,000	777	
Registration	1,295	1,254	-	-	2,549	1,070	-	1,070	-	3,619	5,797	
Penalty/finance charges/misc	-	-	-	-	-	356	-	356	-	356	97	
Honorarium	-	1,400	-	-	1,400	300	-	300	-	1,700	-	
Awards/recognition/incentives	-	-	1,231	-	1,231	409	-	409	-	1,640	219	
Educational supplies	-	1,005	-	-	1,005	249	-	249	-	1,254	152	
Meals/food	-	-	-	1,081	1,081	33	-	33	98	1,212	-	
COBRA administration for staff	230	45	1	6	282	18	90	108	8	398	298	
Infrastructure costs	203	-	-	-	203	-	-	-	-	203	579	
Participant expenses	-	-	-	-	-	-	-	-	-	-	53	
Total general expenses before indirect costs and in-kind	3,262,637	177,177	6,909	45,472	3,492,195	193,256	383,746	577,002	20,121	4,089,318	4,380,906	
In-kind contribution expense	494,592	-	-	-	494,592	50	-	50	-	494,642	446,096	
Indirect cost - current year	171,033	44,294	491	11,368	227,186	-	(227,186)	(227,186)	-	-	-	
Total expense	\$ 3,928,262	221,471	7,400	56,840	4,213,973	193,306	156,560	349,866	20,121	4,583,960	4,827,002	

The independent auditor's report and accompanying notes are an integral part of these financial statements.

NATIONAL INDIAN COUNCIL ON AGING, INC.
STATEMENT OF FUNCTIONAL EXPENSES (COMPARATIVE PURPOSES ONLY)
For the Year Ended June 30, 2018, With Comparative Totals For 2017

	Program Services				Management and General					
	Senior Community Service Empl.	Admin. For Comm. Living Nat. Minority Aging Orgs.	SSAI Sub- Grant	Total Program Services	Org. Activities	Supporting Services	Total Mgt. and General	Fund- Raising	2018 Total	2017 Total
Salaries and wages	\$ 2,648,689	101,954	381,813	3,132,456	22,870	263,303	286,173	9,121	3,427,750	4,998,172
Payroll taxes and employee benefits	456,461	28,754	50,845	536,060	7,262	61,119	68,381	2,703	607,144	755,945
Total salaries, payroll taxes and employee benefits	3,105,150	130,708	432,658	3,668,516	30,132	324,422	354,554	11,824	4,034,894	5,754,117
Office rent	46,984	8,061	1,452	56,497	87	21,052	21,139	104	77,740	91,265
Travel-staff	33,342	7,874	5,071	46,287	6,323	404	6,727	1,702	54,716	111,586
Professional services	8,600	24,142	-	32,742	-	-	-	544	33,286	62,268
Technical support	17,023	3,893	-	20,916	107	7,808	7,915	143	28,974	36,767
Telephone	13,091	2,106	1,166	16,363	33	4,362	4,395	44	20,802	27,448
Auditing services	-	-	-	-	-	17,684	17,684	-	17,684	17,570
Legal services	-	-	-	-	11,772	-	11,772	-	11,772	15,814
Software support	979	454	185	1,618	32	8,526	8,558	54	10,230	10,255
Equipment maintenance	3,943	729	158	4,830	79	3,734	3,813	21	8,664	5,378
Office supplies	4,226	889	554	5,669	23	1,525	1,548	6	7,223	19,098
Equipment rental	4,266	996	109	5,371	102	1,481	1,583	36	6,990	10,526
Postage/shipping expense	4,806	449	546	5,801	358	642	1,000	128	6,929	12,743
Bank service charge	-	-	528	528	33	6,223	6,256	56	6,840	8,919
Webhosting	4,367	932	74	5,373	9	642	651	82	6,106	11,933
Registration	2,355	2,490	-	4,845	865	-	865	87	5,797	4,969
Staff development	2,174	1,856	-	4,030	-	1,632	1,632	-	5,662	3,145
Printing expense	1,790	2,193	-	3,983	519	842	1,361	146	5,490	14,653
Storage rental	1,920	1,149	-	3,069	-	2,412	2,412	-	5,481	4,826
Insurances	4,880	622	349	5,851	4,344	1,382	5,726	14	11,591	11,428
Non-capital office machines	565	961	-	1,526	-	1,354	1,354	-	2,880	6,511
Membership	36	55	-	91	2,539	124	2,663	-	2,754	1,248
Internet service	2,221	-	109	2,330	-	-	-	-	2,330	3,063
Office expenses	589	66	-	655	2	724	726	2	1,383	2,102
Outreach materials	-	1,102	-	1,102	-	-	-	-	1,102	390
Moving expense	-	-	-	-	777	-	777	-	777	7,680
Infrastructure costs	579	-	-	579	-	-	-	-	579	-
Subscription	-	-	-	-	-	-	-	527	527	5,317
State taxes/fees/registrations	-	-	-	-	318	-	318	-	318	191
COBRA administration for staff	106	25	-	131	2	163	165	2	298	-
Awards/recognition	-	-	-	-	219	-	219	-	219	-
Non-capital office furniture	-	202	-	202	-	-	-	-	202	1,758
Conference meals	180	-	-	180	-	-	-	-	180	9,174
Educational supplies	36	80	-	116	36	-	36	-	152	640
Conference bags	144	-	-	144	-	-	-	-	144	7,790
Penalty/finance charges	-	-	-	-	97	-	97	-	97	-
Participant expenses	53	-	-	53	-	-	-	-	53	3,084
Software	-	25	-	25	-	-	-	-	25	-
Advertising	-	-	-	-	-	-	-	15	15	-
Elder advocacy products	-	-	-	-	-	-	-	-	-	2,727
Honorarium	-	-	-	-	-	-	-	-	-	625
Meeting/ room rental costs	-	-	-	-	-	-	-	-	-	64
Meals/food	-	-	-	-	-	-	-	-	-	861
Conference lodging	-	-	-	-	-	-	-	-	-	7,275
Miscellaneous expense	-	-	-	-	-	-	-	-	-	62
Total general expenses before indirect costs and in-kind	3,264,405	192,059	442,959	3,899,423	58,808	407,138	465,946	15,537	4,380,906	6,295,270
In-kind contribution expense	381,633	-	64,463	446,096	-	-	-	-	446,096	711,390
Indirect cost - current year	155,684	42,252	-	197,936	-	(197,936)	(197,936)	-	-	228,412
Indirect cost - to be reimbursed	-	-	-	-	-	-	-	-	-	39,031
Total expense	\$ 3,801,722	234,311	507,422	4,543,455	58,808	209,202	268,010	15,537	4,827,002	7,274,103

The independent auditor's report and accompanying notes are an integral part of these financial statements.

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019, with Comparative Totals for 2018

Note 1. Summary of Significant Accounting Policies

A. Nature of Activities

National Indian Council on Aging, Inc. (NICOA), a not-for-profit organization, was incorporated in 1976 to facilitate and improve services to American Indian and Alaska Native elders, including assistance with job training, providing information on rights, and testifying before federal and state legislatures on behalf of elderly American Indians. Program participants reside primarily in the Western United States, including New Mexico, Arizona, Oklahoma, California, Wisconsin, Minnesota, and South Dakota. Employment programs are funded through the U.S. Department of Labor. Other programs are funded through the U.S. Department of Health and Human Services and a private foundation.

Programs currently operated by NICOA include:

Senior Community Service Employment Program

The Senior Community Service Employment Program (SCSEP) is funded from the U.S. Department of Labor. SCSEP's purpose in the Act is "to foster individual self-sufficiency and promote useful opportunities in community service for unemployed low-income persons who are age 55 or older, particularly persons who have poor employment prospects; and to increase the number of persons who may enjoy the benefits of unsubsidized employment in both the public and private sectors." NICOA is a national grantee of SCSEP funds set-aside for American Indian/Alaska Native national aging organizations. NICOA's SCSEP mission is to provide opportunity for low income elders through paid training, meaningful community service, and skills development.

Senior Service America, Inc. (SSAI) SCSEP Sub-Grantee

The Senior Community Service Employment Program (SCSEP) is funded from the U.S. Department of Labor. SCSEP's purpose in the Act is "to foster individual self-sufficiency and promote useful opportunities in community service for unemployed low-income persons who are age 55 or older, particularly persons who have poor employment prospects; and to increase the number of persons who may enjoy the benefits of unsubsidized employment in both the public and private sectors." NICOA is a SCSEP sub-grantee for SSAI, providing services to individuals in 16 counties in Minnesota. SSAI's SCSEP mission is to provide opportunity for low income elders through paid training, meaningful community service, and skills development. The program ended in 2018.

National Minority Aging Organizations Technical Assistance Centers Consortium

Established by the Administration for Community Living (ACL) in 2012, the Consortium is composed of five national minority aging organizations. Native American Center is funded by the U.S. Department of Health and Human services, Administration for Community Living. Consortium partners include representative organizations for each of the five major racial and ethnic minority older populations. The primary goal of the NMAO-TAC Consortium is to serve as an interconnected resource center for the Aging Network. The Consortium will provide expertise in the design, development and sharing of culturally competent information and materials that can improve delivery of services to racial and ethnic minority Elders. For American Indian and Alaska Native Elders we will improve awareness of resources available to Native Elders across the country. NICOA will accomplish this by listening to NICOA Elder members and other stakeholders share their concerns and ideas about important issues such as the Older Americans Act, the Affordable Care Act and Social Security.

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019, with Comparative Totals for 2018

Diverse Elder Coalition (DEC)

The DEC's project goals are as follows: (1) Increased awareness among the general public, policymakers, and the aging services field about the economic, social, and health equity issues facing diverse elders and how these issues intersect across racial, ethnic, and cultural communities (2) Improved awareness of the significance of public benefits and entitlements to fostering the economic security and overall well-being of diverse elders. (3) Improved media coverage on issues of concern to diverse elder communities. (4) Increased mobilization across sectors (e.g., policymakers, providers, advocates, and elder communities) to protect, preserve, and expand services and benefits/entitlements for economically vulnerable and marginalized elders. (5) Increased awareness of, support for, and implementation of promising models to: leverage the strengths and skills of older adults; increase the capacity of culturally, linguistically, and LGBT-competent community-based organizations to deliver more programs and services to those most in need; expand holistic, individualized case management services that prevent elders from falling through the cracks of an often fragmented, uncoordinated network of aging services; and creating affordable linguistically and culturally appropriate senior housing. (6) Increased participation and influence of diverse elders in settings where key programs and policies (including benefits/entitlements) are discussed, debated, and established. (7) Increased efforts by the DEC members to educate their constituencies on the DEC's inclusive framework so that more elders in more communities can "connect the dots" between the challenges they face and those confronting elders in other racial, ethnic, and cultural communities and then act on this awareness. (9) More equitable distribution of public funding for aging programs to expand support for culturally competent services.

Diverse Elder-State Partners and Consumer Health Advocates Project-Memo of Understanding

Purpose of the Memorandum of Understanding is to establish a collaborative partnership between the Diverse Elder Coalition (DEC), its state partners and Community Catalyst (CC), and their state consumer advocates. Over the course of the collaboration, DEC state partners and CC state consumer health advocates will work in partnership to improve health insurance coverage and benefits for older people of color and lesbian, gay, bisexual, transgender (LGBT) older people under the Affordable Care Act (ACA), as well as their overall health and well-being in New Mexico.

Wells Fargo Foundation

This \$400,000 multi-year grant from the Wells Fargo Foundation shall be utilized by National Indian Council on Aging, Inc. ("NICOA") for Native capacity building. National Indian Council on Aging, Inc.'s mission aligns with Wells Fargo's commitment to help address the unique economic and social needs of the American Indian/Alaska Native (AI/AN) population. Through this grant program, NICOA shall build organizational capacity and provide support for improved comprehensive health, social services, and economic wellbeing for American Indian and Alaska Native elders. The funds will be used by NICOA to ensure it has the capacity to grow and to ensure its long-term sustainability. Quantifiable indicators of success will include: 1.) hosting a successful strategic planning session with relevant staff, board members, key stakeholders, and receiving consultation on future directions for the organization, 2.) hiring staff dedicated to writing pertinent grants and improving NICOA's fundraising capacities, and 3.) providing educational webinars on social services and important policies that impact AI/AN elders. By utilizing these grant funds, NICOA expects to impact Indian Country with improved knowledge of services and service eligibility among elders, improve communication between tribal leadership and tribal elders about resource allocation for program and service development, and strengthen NICOA's position in Indian Country as the premier advocate for AI/AN elder issues.

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019, with Comparative Totals for 2018

B. Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting. Under the accrual method of accounting, revenues are recognized when earned rather than when received and expenses are recognized when the related liability is incurred rather than when paid.

C. New Accounting Pronouncement

During 2019, NICOA adopted the provisions of Accounting Standards Update (“ASU”) 2016-14: Not-for-Profit-Entities (Topic 958) *Presentation of Financial Statements of Not-for-Profit Organizations*, which improves the current net asset classification and the related information presented in the financial statements and notes about NICOA’s liquidity, financial performance, and cash flows. The ASU has been applied retrospectively to all periods presented.

D. Financial Statement Presentation

NICOA prepares financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 and subsections *Financial Statements of Not-for-Profit Organizations*. Under 958-205, NICOA is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

E. Net Asset Classifications

Net Assets without Donor Restrictions—Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of NICOA. NICOA’s Board of Directors may designate assets without restrictions for specific operational purposes from time to time.

The undesignated net assets represent the investment in undesignated assets and amounts invested in property and equipment, less accumulated depreciation and amortization and any related debt.

Net Assets with Donor Restrictions-Time/Purpose—Net assets are the result of contributions and other inflows of assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions can be fulfilled and removed by actions of the organization pursuant to those stipulations or by the passage of time. Other donor restrictions are perpetual in nature. Net assets perpetual in nature result from contributions and other inflows of assets, the use of which is limited by donor-imposed stipulations that cannot be removed by actions of NICOA.

Net Assets with Donor Restrictions-Perpetual in Nature—Net assets resulting from contributions and other inflows of assets, the use of which is limited by donor-imposed stipulations that cannot be removed by actions of NICOA.

F. Grants

NICOA is funded by grants awarded by various sources. Revenue from grants is recognized when funds are spent or when specific deliverables are completed in accordance with grant provisions. Grants receivable represent amounts due for expenditures incurred or deliverables completed prior to year-end, but not yet reimbursed.

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019, with Comparative Totals for 2018

G. Cash, Restricted Cash, and Cash Equivalents

NICOA considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash includes money market funds and interest-bearing instruments with maturities at the date of purchase of three months or less. NICOA maintains deposits in financial institutions that at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). Management believes that there is not a significant risk with respect to these deposits.

H. Prepaid Expense

Prepaid expenses represent workers' compensation premiums and health insurance premiums paid at the end of the fiscal year for the coverage that extends through part of the following year. Also included are rents paid in advance, technical support, and insurance.

I. Conference Revenue and Related Expense

Conference revenue and related expenses generated from a biennial conference hosted by NICOA consist of registration fees and direct costs of producing the conference. Registration fees received in advance of the conference are recorded as deferred revenue until the conference has taken place and the earnings process is substantially complete.

J. Functional Expense and Indirect Cost Rate

Expenses that can be identified with a specific program are allocated directly according to their natural expenditure's classification. Other expenses are allocated among the programs benefited. Included in federal and other program grant expenses in the accompanying statement of activities are funds paid to general and administrative costs, and indirect costs charged to each program based on a provisional allocation rate. Salary and other personnel costs that are not directly coded to a programmatic activity but are allocated based on time certifications and the best estimate of employees. Building maintenance, and depreciation expenses are allocated among the programs and supporting services benefited. Other operating costs are allocated using various allocation methodologies including allocations based on personnel, square footage, or revenue generated. Per NICOA's indirect cost rate agreement with the federal government, administrative and indirect costs related to its federal grant revenue are reclassified as program expenses. NICOA applies this methodology to all of its grants. See the Indirect Costs line of the Statement of Functional Expenses on page 7.

K. Property, Equipment, and Depreciation

All acquisitions of property and equipment and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets in excess of \$5,000 are capitalized and depreciated on a straight-line basis over their estimated useful life of seven years. Property and equipment are stated at cost, or, if donated, at the estimated fair value on the date of donation.

L. Contributions

Contributions received are recorded as support with donor restrictions or support without donor restrictions depending on the existence or nature of any donor restrictions. Gifts of cash and other assets are reported as support with donor restrictions if received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019, with Comparative Totals for 2018

Gifts of long-lived assets are reported as support without donor restrictions unless the donor has restricted the use of the assets for specific purposes. Long-lived assets with explicit restrictions, and gifts of cash that must be used to acquire long-lived assets, are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. Long-lived assets are recorded at their fair market value on the date of receipt.

M. Donated Services and Materials

Donated services are recognized as contributions in accordance with FASB 958-605 if the services enhance or create nonfinancial assets, require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services are recorded as contributions at their estimated fair market value at the date of donation and/or actual rates of pay.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, NICOA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. NICOA reclassifies net assets with donor restrictions to net assets without donor restrictions when the restrictions have been satisfied.

A number of volunteers have donated time to NICOA's program and administration. As these services do not qualify for recognition as donated services in accordance with FASB 958-605, they are not recorded as revenue and expense.

N. Income Taxes

Income taxes are not provided for in the financial statements since NICOA is exempt from the federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. NICOA is not classified as a private foundation.

NICOA files their Federal Form 990 tax return in the U.S. federal jurisdiction and the online charitable registration in the Office of the Attorney General for the State of New Mexico. NICOA is generally no longer subject to examination by the Internal Revenue Service and the New Mexico Taxation and Revenue Department for fiscal years before 2016. The organization is not currently under audit nor has the organization been contacted by any of these jurisdictions. Management believes that they are operating within their tax-exempt purpose.

O. Compensated Absences Payable

NICOA accrues annual leave as the benefit is earned by employees. Eligible employees accrue annual leave based upon their FTE status and according to tenure of employment. Immediately upon hire, employees earn 4 hours of annual leave each pay period. After one

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019, with Comparative Totals for 2018

year of employment, employees will earn 5 hours each pay period. After three years, employees will earn 6 hours per pay period up to a maximum of 19.50 days of vacation. Employees also earn an additional amount of paid annual leave based on a certain number of years with NICOA as follows:

<u>Years of Service</u>	<u>Hours</u>
10	40
15	60
20	80
25	100
30	120

Annual leave pay is not granted in lieu of taking the actual time off. Annual leave hours accrued by employees over 80 hours at fiscal year-end are not lost to the employee, however a limit of 80 hours is used for the annual leave accrual calculation. Accrued annual leave for each employee can be carried over to the following calendar year, up to a maximum of 80 hours.

P. Fair Value of Financial Instruments

The carrying amounts of cash, restricted cash, and cash equivalents, receivables, payables, accrued expenses and other liabilities approximate fair value due to the short maturity periods of these instruments.

Q. Use of Estimates

The preparation of financial statements in conformity with US generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

R. Advertising

The cost of advertising is expensed when incurred or when the first advertising takes place. NICOA does not participate in direct-response advertising, which requires the capitalization and amortization of related costs.

S. Concentrations of Credit Risk

NICOA maintains its cash balances in financial institutions located in Albuquerque, New Mexico. These balances may occasionally exceed insured limits of the Federal Deposit Insurance Corporation. NICOA has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk related to the uninsured cash balances.

At June 30, 2019, cash balances exceeded insured limits of the Federal Deposit Insurance Corporation by \$69,637.

T. Liquidity and Availability of Financial Resources

NICOA regularly monitors liquidity to meet cash flow requirements and operating needs. The availability of financial assets is primarily affected by management designations, the nature of the underlying assets, external limitations imposed by donors or contracts with

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019, with Comparative Totals for 2018

others. NICOA is not substantially supported by restricted grants. Because a donor's restriction required resources to be used in a particular manner or in a future period, NICOA must maintain sufficient resources to meet those responsibilities to its donors. These financial assets may not be available for general expenditure within one year. As part of NICOA's liquidity management, it has an informal policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

In addition, NICOA can invest cash in excess of daily requirements in short-term investments. Donor restricted funds are available for expenditure upon satisfaction of the restriction, the expected timing of which is not generally determinable in advance.

Liquidity is as follows:

	2019	2018
Current assets, year end	\$ 625,897	282,485
Less those unavailable for general expenditures within a year due to:		
Purpose/time restrictions by donor	(385,759)	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 240,138	282,485

U. Prior Year Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not in each net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with NICOA's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

In addition, the 2018 functional allocation of expenses with 2017 comparative balances, as identified in the table of contents, are for comparative purposes only and were derived from NICOA's financial statements for the year ended June 30, 2018. The auditors have not given an opinion on this comparative financial statement in its independent auditor's report.

V. Reclassifications

Certain reclassifications may have been made to the 2018 summarized financial statement information to conform to the current year presentation.

Note 2. Cash, Restricted Cash, and Cash Equivalents

At June 30, cash, restricted cash, and cash equivalents were the following:

	2019	2018
US Bank:		
Operating	\$ 190,186	17,972
Payroll	47,588	14,178
Petty cash	100	100
Total	\$ 237,874	32,250

Restricted cash at June 30, 2019 is \$175,759 and is included in the operating account above.

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019, with Comparative Totals for 2018

Note 3. Receivables

NICOA uses the allowance method to value estimated uncollectible grants and other receivables. The estimate is based on historical evidence and other known facts and circumstances. Balance over 90 days old are considered delinquent and are analyzed for collectability.

Receivable as of June 30 are as follows:

		2019	2018
Federal grants	\$	145,089	120,650
Foundation grants		210,000	-
Other		7,221	66,035
		362,310	186,685
Less: Allowance for doubtful accounts		-	-
Total	\$	362,310	186,685

Management considers all receivables fully collectible, and therefore, no allowance has been recorded.

Note 4. Property, Equipment, and Depreciation

NICOA does not have property and equipment.

Note 5. Payroll Related Liabilities and Compensated Absences

Payroll related liabilities and compensated absences at June 30 were as follows:

		2019	2018
Accrued payroll	\$	74,263	63,956
Accrued payroll taxes		15,411	13,057
Compensated absences		22,181	19,108
Total	\$	111,855	96,121

Note 6. Deferred Revenues

Deferred revenues at June 30 consisted of the following:

		2019	2018
Conference registration	\$	-	50,925
Other		1,004	72
Total	\$	1,004	50,997

Note 7. Net Assets with Donor Restrictions

NICOA's net assets with donor restrictions at June 30 were as follows:

<u>Restricted net assets</u>	<u>Type of Restriction</u>	<u>2018</u>	<u>Additions</u>	<u>Released</u>	<u>2019</u>
Wells Fargo Foundation	Purpose and time	\$ -	400,000	(56,840)	343,160
John A. Hartford Foundation	Purpose	-	50,000	(7,401)	42,599
Federal grants	Purpose	-	3,655,138	(3,655,138)	-
Total		\$ -	4,105,138	(3,719,379)	385,759

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019, with Comparative Totals for 2018

Note 8. Retirement Plan

NICOA's retirement plan consists of SIMPLE IRA accounts. NICOA contributes 2% of employees' earnings once an employee becomes eligible to participate, after 180 days of employment. NICOA's contributions to the retirement plan were as follows:

	2019	2018
Retirement plan contributions	\$ 13,190	15,100

Note 9. Commitments and Contingencies

Grant and Indirect Cost Rate Finalization

The grants managed by NICOA are subject to a closing audit process by federal granting agencies subsequent to the end of a grant period. Included in federal and other program grant expenses in the accompanying statement of activities are funds paid to general and administrative costs, and indirect costs charged to each program based on a provisional allocation rate. Final indirect cost rates through 2018 and provisional rates through 2019 have been approved by the U.S. Department of Labor. In 2019, NICOA operated under a provisional rate approved by the U.S. Department of Labor of 25%.

Concentration of Revenue

NICOA receives the majority of its funding from grants, which are subject to possible cutbacks due to changes in funding priorities. Should NICOA lose program funding, management believes that NICOA would be able to receive program funding from other resources. NICOA is actively seeking donations from sources other than federal entities. Concentration of revenues is as follows:

Concentrations		2019	2018
Federal grants	\$	3,655,138	4,097,363
In-kind (federal match)		494,642	446,096
Wells Fargo grant		400,000	-
John A. Hartford grant		50,000	-
Total revenue	\$	4,964,588	4,661,376
Concentration percentage		93%	97%

Note 10. Operating Leases

NICOA leases or has long-term contracts for the following items noted below. NICOA also has various operating leases and contracts that renew on a month-to-month or on an annual basis.

		Facilities	Equipment	Totals
2020	\$	74,744	3,480	78,224
2021		74,744	547	75,291
2022		62,024	-	62,024
2023		62,024	-	62,024
2024		62,024	-	62,024
	\$	335,560	4,027	339,587

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2019, with Comparative Totals for 2018

Total actual lease expenses were as follows:

	<u>2019</u>	<u>2018</u>
\$	<u>90,041</u>	<u>90,211</u>

Note 11. Evaluation of Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. NICOA recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. NICOA's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements are available to be issued. NICOA has evaluated subsequent events through January 24, 2020, which is the date the financial statements were available to be issued.

NATIONAL INDIAN COUNCIL ON AGING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal Catalog Domestic Assistance Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Amount Expended</u>
<u>U.S. Department of Labor</u>			
<i>Direct Programs</i>			
Senior Community Service Employment Program	17.235*	AD-31806-18-55-A-35	\$ 3,433,669
Total U.S. Department of Labor			<u>3,433,669</u>
<u>U.S. Department of Healthy and Human Services</u>			
<i>Administration for Community Living</i>			
AOA-Health Disparities Among Minority Elders-Tech. Assist. Ctr.	93.048	90HD00012-03-00	34,292
AOA-Health Disparities Among Minority Elders-Tech. Assist. Ctr.	93.048	90HD00012-04-00	<u>187,177</u>
Total U.S. Department of Health and Human Services			<u>221,469</u>
Total Expenditures of Federal Awards			\$ <u>3,655,138</u>
<u>Reconciliation to Financial Statements</u>			
Federal award expenditures reported on the SEFA			\$ 3,655,138
Federal revenues per the Statement of Activities			<u>3,655,138</u>
Difference			<u>\$ -</u>

* Denotes major program

Selected Disclosures

- 1) The accompanying schedule of expenditures of federal awards includes the federal grant activity of the NICOA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.
- 2) NICOA had no subrecipients for the year ended June 30, 2019.
- 3) There were no federal awards expended in the form of non-cash assistance outstanding at year-end.
- 4) NICOA did not use the 10% de minimis indirect cost rate.
- 5) Per NICOA's indirect cost rate agreement with the federal government, administrative and indirect costs related to its federal grant revenue are reclassified as program expenses. See the Indirect Costs line of the Statement of Functional Expenses on page 7.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
National Indian Council on Aging, Inc.

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 National Indian Council on Aging, Inc. (NICOA)(a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 24, 2020.

Internal Control Over Financial Reporting

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

January 24, 2020

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, *continued*

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hinkle & Landers, P.C.

Hinkle + Landers, P.C.
Albuquerque, NM
January 24, 2020



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
National Indian Council on Aging, Inc.

Report on Compliance for Each Major Federal Program

We have audited National Indian Council on Aging, Inc. (NICOA)’s, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of NICOA’s major federal programs for the year ended June 30, 2019. NICOA’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 the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the NICOA’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 noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the NICOA’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 NICOA’s compliance.

Opinion on Each Major Federal Program

In our opinion, NICOA 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, 2019.

Report on Internal Control Over Compliance

Management of the NICOA 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 NICOA'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 NICOA'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 consider 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.



Hinkle + Landers, P.C.
Albuquerque, NM
January 24, 2020

**NATIONAL INDIAN COUNCIL ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. Type of auditor's report issued **Unmodified**

Internal control over financial reporting:

- | | |
|---|------|
| 1. Material weakness(es) identified | None |
| 2. Significant deficiency(ies) identified | None |
| 3. Noncompliance material to financial statements noted | None |

Federal Awards

Internal control over major programs:

- | | |
|---|------|
| 1. Material weakness(es) identified | None |
| 2. Significant deficiencies(s) identified | None |

Type of auditor's report issued on compliance for major program **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? None

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Funding Source</u>
17.235	Senior Community Service Employment Program	US Dept. of Labor

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk Auditee? Yes

**NATIONAL INDIAN COUNCIL ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019**

SECTION II and III—SUMMARY OF FINDINGS

FINANCIAL AND FEDERAL FINDINGS

Finding	Status of Current and Prior Year Findings	Type of Finding
PRIOR YEAR		
None	N/A	N/A
CURRENT YEAR		
None	N/A	N/A

* Legend for Type of Findings

- A. Material Weakness in Internal Control Over Financial Reporting
- B. Significant Deficiency in Internal Control Over Financial Reporting
- C. Other Matters Involving Internal Control Over Financial Reporting
- D. Material Weakness in Internal Control Over Compliance of Federal Awards
- E. Significant Deficiency in Internal Control Over Compliance of Federal Awards
- F. Instance of Noncompliance with Federal Awards