



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, 2021,
With Comparative Totals for 2020**

**NATIONAL INDIAN COUNCIL ON AGING, INC.
TABLE OF CONTENTS**

Table of Contents	i
Official Roster	1
Independent Auditor's Report	2-4
Financial Statements	
Statement of Financial Position	5
Statement of Activities	6
Statement of Cash Flows	7
Statement of Functional Expenses - 2021	8
Statement of Functional Expenses - 2020 (comparative purposes only)	9
Notes to the Financial Statements	10-21
Federal Compliance Section	
Supplementary Information	
Schedule of Expenditures of Federal Awards	22
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 <i>Government Auditing Standards</i>	23-24
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required By The Uniform Guidance	25-27
Schedule of Findings and Questioned Costs	28-29

NATIONAL INDIAN COUNCIL ON AGING, INC.
OFFICIAL ROSTER
As of June 30, 2021

Board of Directors

Name	Title
James DeLaCruz	Chairman - Northwest Region
Eddie Tullis	Vice-Chariman - Eastern Region
Billie Tohee	Secretary - Southern Plains Region
Edna Riley	Acting Treasurer - Alaska Region
Mary Jo Hunter	Member - Midwest Region
Betti Delrow	Member - Navajo Region
Phillis Antone	Member - Western Region
Lillian Thomas	Member - Eastern Oklahoma Region
Robert LaFromboise	Member - Great Plains Region (alternate)
Vacant	Member - Great Plains Region
Vacant	Member - Southwest Region
Vacant	Member - Pacific Region
Vacant	Member - Rocky Mountain Region
Vacant	Member - Chairperson of Title VI Association

Administration

Name	Title
Larry Curley	Executive Director
Jeannine White	Finance Director

INDEPENDENT AUDITOR'S REPORT

Board of Directors
National Indian Council on Aging, Inc.

Opinion

We have audited the accompanying 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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NICOA as of June 30, 2021, 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.

Basis of Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NICOA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in Note 11 to the financial statements, the 2020 net assets have been restated due to management's implementation of ASC 606 "Revenue from Contracts with Customers" and ASU 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made" in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NICOA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NICOA's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NICOA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters**Report on Summarized Comparative Information**

We have previously audited NICOA's June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, 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, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2022, 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 the NICOA's internal control over financial reporting and compliance.

Hinkle & Landers, P.C.

Hinkle + Landers, P.C.
Albuquerque, NM
March 21, 2022

NATIONAL INDIAN COUNCIL ON AGING, INC.
STATEMENT OF FINANCIAL POSITION
As of June 30, 2021, with Comparative Totals for 2020

	<u>Notes</u>	<u>2021</u>	<u>Restated 2020</u>
ASSETS			
<i>Current assets</i>			
Cash, restricted cash, and cash equivalents	2	\$ 295,890	187,992
Grants receivable	3	347,757	101,847
Other accounts receivable, net	3	887	193
Prepaid expenses	1-G	<u>53,140</u>	<u>26,858</u>
Total current assets		697,674	316,890
<i>Other Assets</i>			
Security deposits		<u>8,483</u>	<u>8,483</u>
<i>Property and equipment, net</i>	4	<u>-</u>	<u>-</u>
Total assets		<u>\$ 706,157</u>	<u>325,373</u>
LIABILITIES AND NET ASSETS			
<i>Current liabilities</i>			
Accounts payable		\$ 81,137	20,118
Payroll related liabilities and compensated absences	5	247,305	132,814
Deferred revenues	6	<u>222,148</u>	<u>65,063</u>
Total liabilities		<u>550,590</u>	<u>217,995</u>
NET ASSETS			
<i>Without donor restrictions</i>			
Undesignated		155,567	107,378
<i>With donor restrictions</i>			
Purpose/time restricted net assets	7	<u>-</u>	<u>-</u>
Total liabilities and net assets		<u>\$ 706,157</u>	<u>325,373</u>

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, 2021, with Comparative Totals for 2020

SUPPORT AND REVENUE	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Restated Total
Federal grants	\$ 5,605,492	-	5,605,492	3,811,631
In-kind contributions (services)	486,472	-	486,472	385,734
Donations	132,514	-	132,514	1,059
Contracts revenue	67,442	-	67,442	-
Membership dues	16,950	-	16,950	22,075
Other revenue	5,926	-	5,926	1,403
Foundation grants	480	-	480	4,937
Local grants	-	-	-	1,500
Fundraising	-	-	-	869
Total support and revenue	<u>6,315,276</u>	<u>-</u>	<u>6,315,276</u>	<u>4,229,208</u>
Net assets released from restrictions	<u>101,783</u>	<u>(101,783)</u>	<u>-</u>	<u>-</u>
EXPENSES				
Program services				
Senior Community Service Employment	5,529,357	-	5,529,357	3,849,446
Administration for Community Living	562,609	-	562,609	347,918
Diverse Elder Coalition	62,924	-	62,924	49,618
Wells Fargo Foundation	42,913	-	42,913	239,295
UNM	-	-	-	1,500
Total program services	<u>6,197,803</u>	<u>-</u>	<u>6,197,803</u>	<u>4,487,777</u>
Management and general	46,052	-	46,052	98,086
Fundraising	23,232	-	23,232	5,342
Total expenses	<u>6,267,087</u>	<u>-</u>	<u>6,267,087</u>	<u>4,591,205</u>
Change in net assets	149,972	(101,783)	48,189	(361,997)
Net assets, beginning of year - restated	<u>5,595</u>	<u>101,783</u>	<u>107,378</u>	<u>469,375</u>
Net assets, end of year	<u>\$ 155,567</u>	<u>-</u>	<u>155,567</u>	<u>107,378</u>

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, 2021, with Comparative Totals for 2020

	<u>2021</u>	<u>Restated 2020</u>
<u>Cash Flows From Operating Activities</u>		
Cash receipts from grants	\$ 5,376,532	4,121,448
Cash receipts from donations	132,514	1,059
Cash receipts from contracts	67,442	-
Cash receipts from membership dues	5,926	1,403
Cash receipts from other	(214)	11,965
Cash receipts from fundraisers	-	869
Cash paid to employees and suppliers	<u>(5,474,302)</u>	<u>(4,186,626)</u>
Cash provided by (used for) operating activities	<u>\$ 107,898</u>	<u>(49,882)</u>
<u>Cash Flows From Investing Activities</u>		
None		
<u>Cash Flows From Financing Activities</u>		
None		
Net increase (decrease)	<u>107,898</u>	<u>(49,882)</u>
Beginning cash, restricted cash, and cash equivalents	<u>187,992</u>	<u>237,874</u>
Ending cash, restricted cash, and cash equivalents	<u>\$ 295,890</u>	<u>187,992</u>

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

Change in net assets	\$ 48,189	(361,997)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Prior period adjustment	-	92,980
<i>(Increases) decreases in operating assets:</i>		
(Increase) decrease in grant receivables	(245,910)	193,262
(Increase) decrease in other receivables	(694)	7,028
(Increase) decrease in prepaid expense	(26,282)	(9,628)
<i>Increase (decrease) in operating liabilities:</i>		
Increase (decrease) in accounts payable	61,019	(23,545)
Increase (decrease) in deferred revenue	157,085	31,059
Increase (decrease) in accrued wages and benefits	<u>114,491</u>	<u>20,959</u>
Cash provided by (used for) operating activities	<u>\$ 107,898</u>	<u>(49,882)</u>

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, 2021, With Comparative Totals For 2020

	Program Services					Management and General			Fund-Raising	2021 Total	Restated 2020 Total
	SCSEP	ACL	DEC	Wells Fargo	Program	Org. Activities	Supporting Services	Total Mgt & Gen			
Salaries and wages	\$ 4,515,776	245,638	37,542	5,180	4,804,136	12,397	284,514	296,911	94	5,101,141	3,608,820
Payroll taxes and employee benefits	543,964	42,050	10,174	1,288	597,476	1,813	80,865	82,678	114	680,268	476,337
Total salaries, payroll taxes and employee benefits	5,059,740	287,688	47,716	6,468	5,401,612	14,210	365,379	379,589	208	5,781,409	4,085,157
Professional/legal/auditing services	8,600	111,431	2,503	9,350	131,884	3,378	21,042	24,420	16,840	173,144	120,762
Office/storage rent	46,663	12,332	2,883	590	62,468	-	21,892	21,892	-	84,360	83,175
Non-capital furniture/equipment	27,817	2,887	-	-	30,704	-	3,803	3,803	-	34,507	21,432
Office supplies/expenses	13,509	1,610	-	-	15,119	360	14,099	14,459	-	29,578	16,798
Technical/software support	15,901	2,914	626	190	19,631	-	7,624	7,624	-	27,255	30,043
Internet service/communications	7,508	7,722	61	19	15,310	1,900	7,368	9,268	-	24,578	20,234
Postage/printing expense	10,982	7,216	1	2	18,201	502	1,729	2,231	11	20,443	9,393
Staff development	2,320	398	-	-	2,718	-	13,099	13,099	-	15,817	5,784
Insurances	4,393	836	203	10	5,442	5,440	1,501	6,941	-	12,383	26,883
Telephone	6,928	762	284	75	8,049	-	1,826	1,826	-	9,875	14,729
Equipment maintenance	4,485	1,070	383	107	6,045	-	1,939	1,939	-	7,984	5,452
Equipment rental	5,874	471	82	71	6,498	-	922	922	1	7,421	10,336
Outreach materials	959	5,499	-	-	6,458	387	-	387	-	6,845	147
State taxes/fees/registrations	16	-	-	206	222	558	(28)	530	6,037	6,789	7,834
Bank service charge	-	-	-	-	-	155	5,840	5,995	135	6,130	6,874
Membership/subscriptions/admin fees	150	-	2,563	-	2,713	1,896	1,373	3,269	-	5,982	10,037
Travel-staff/board	3,278	-	-	-	3,278	374	43	417	-	3,695	97,703
Registration	143	2,443	-	-	2,586	-	626	626	-	3,212	6,455
Awards/recognition/incentives	-	-	1,875	-	1,875	547	62	609	-	2,484	4,017
Penalty/finance charges/misc	-	-	-	-	-	1,524	67	1,591	-	1,591	543
Participant expenses	556	-	-	-	556	-	-	-	-	556	2,292
Educational supplies	-	410	-	-	410	-	-	-	-	410	1,848
COBRA administration for staff	-	-	-	-	-	-	360	360	-	360	360
Infrastructure costs	279	-	-	-	279	-	-	-	-	279	849
Meals/food	-	-	-	-	-	-	-	-	-	-	1,918
Honorarium	-	-	-	-	-	-	-	-	-	-	150
Total general expenses before indirect costs	5,220,101	445,689	59,180	17,088	5,742,058	31,231	470,566	501,797	23,232	6,267,087	4,591,205
Indirect costs - current year	309,256	116,920	3,744	25,825	455,745	2,391	(455,745)	(455,745)	-	-	-
Total expense	\$ 5,529,357	562,609	62,924	42,913	6,197,803	33,622	14,821	46,052	23,232	6,267,087	4,591,205

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, 2020, With Comparative Totals For 2019

	Program Services						Management and General				Restated	2019
	SCSEP	ACL	DEC	Wells Fargo	UNM	Total Program	Org. Activities	Supporting Services	Total Mgt & Gen	Fund-Raising	2020 Total	Total
Salaries and wages	\$ 3,124,740	112,468	28,465	55,325	843	3,321,841	21,855	262,431	284,286	2,693	3,608,820	3,568,819
Payroll taxes and employee benefits	348,671	33,331	8,695	13,078	261	404,036	4,200	67,339	71,539	762	476,337	480,606
Total salaries, payroll taxes and employee benefits	3,473,411	145,799	37,160	68,403	1,104	3,725,877	26,055	329,770	355,825	3,455	4,085,157	4,049,425
Professional/legal/auditing services	8,600	62,721	-	28,730	-	100,051	2,465	18,246	20,711	-	120,762	72,110
Travel-staff/board	30,708	9,799	515	52,198	-	93,220	1,364	1,755	3,119	1,364	97,703	99,856
Office/storage rent	41,958	13,068	1,338	2,797	-	59,161	547	23,189	23,736	278	83,175	81,416
Technical/software support	15,148	3,937	451	868	-	20,404	188	9,335	9,523	116	30,043	36,243
Insurances	4,342	1,181	132	235	-	5,890	18,696	2,271	20,967	26	26,883	13,755
Non-capital furniture/equipment	6,913	4,568	-	-	-	11,481	-	9,951	9,951	-	21,432	11,120
Internet service/communications	9,814	5,189	145	834	-	15,982	257	3,967	4,224	28	20,234	12,600
Office supplies/expenses	6,852	2,734	108	1,370	-	11,064	18	5,704	5,722	12	16,798	18,795
Telephone	7,711	2,217	281	571	-	10,780	132	3,773	3,905	44	14,729	18,729
Equipment rental	6,102	700	71	436	-	7,309	24	2,992	3,016	11	10,336	8,625
Membership/subscriptions	-	-	4,000	3,365	-	7,365	2,492	180	2,672	-	10,037	9,745
State taxes/fees/registrations	-	-	-	7,840	-	7,840	10	-	10	(16)	7,834	8,978
Postage/printing expense	6,403	671	1,141	438	-	8,653	238	500	738	2	9,393	14,954
Bank service charge	-	-	-	-	-	-	129	6,745	6,874	-	6,874	8,279
Registration	2,265	600	-	3,590	-	6,455	-	-	-	-	6,455	3,619
Staff development	2,698	473	-	1,239	-	4,410	-	1,374	1,374	-	5,784	4,401
Equipment maintenance	2,044	931	105	186	-	3,266	44	2,121	2,165	21	5,452	7,839
Awards/recognition/incentives	-	-	1,240	65	-	1,305	2,400	312	2,712	-	4,017	1,640
Participant expenses	2,292	-	-	-	-	2,292	-	-	-	-	2,292	-
Meals/food	86	-	-	1,832	-	1,918	-	-	-	-	1,918	1,212
Educational supplies	-	1,050	405	393	-	1,848	-	-	-	-	1,848	1,254
Infrastructure costs	849	-	-	-	-	849	-	-	-	-	849	203
Penalty/finance charges/misc	-	-	42	-	-	42	442	59	501	-	543	356
COBRA administration for staff	154	36	6	11	-	207	2	150	152	1	360	398
Honorarium	-	-	150	-	-	150	-	-	-	-	150	1,700
Outreach materials	-	147	-	-	-	147	-	-	-	-	147	18,575
Conference meals/bags	-	-	-	-	-	-	-	-	-	-	-	74,133
Moving expense	-	-	-	-	-	-	-	-	-	-	-	4,000
Total general expenses before indirect costs	3,628,350	255,821	47,290	175,401	1,104	4,107,966	55,503	422,394	477,897	5,342	4,591,205	4,583,960
Indirect costs - current year	221,096	92,097	2,328	63,894	396	379,811	-	(379,811)	(379,811)	-	-	-
Total expense	\$ 3,849,446	347,918	49,618	239,295	1,500	4,487,777	55,503	42,583	98,086	5,342	4,591,205	4,583,960

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, 2021, with Comparative Totals for 2020

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, North Dakota, 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 various grants.

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.

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.

Tribal Long-Term Services and Supports Resource Center

The purpose of this funding opportunity is to support the formation of a Long-Term Services and Supports in Indian Country National Resource Center (LTSSICNRC). The ACL will fund the LTSSICNRC which is national in scope to work with tribes to develop a plan for expanded home and community-based supports (HCBS) using the Centers for Medicare and Medicaid (CMS) Long Term Services and Supports (LTSS) Roadmap website. The LTSS website offers a step-by step planning process for addressing the

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021, with Comparative Totals for 2020

many aspects of the LTSS. The LTSSICNRC will assist tribes in using the LTSS Roadmap to plan an appropriate LTSS response for their specific communities.

Diverse Elder Coalition (DEC) – John A. Hartford Foundation

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-MOU

Purpose of the Memorandum of Understanding (MOU) 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 NICOA for Native capacity building. NICOA'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

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021, with Comparative Totals for 2020

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.

International Association for Indigenous Aging

NICOA contracted to work with the International Association for Indigenous Aging (IA2) on the “*A Collaborative Approach to the Healthy Brain Initiative’s Road Map for Indian Country: Honoring Sovereignty, Culture, Diversity, and Tradition*” program.

Activities in support of the program include:

- Identify needs related to brain health and cognitive impairment among target population.
- Develop and/or adapt existing information products to inform target population about important issues in brain health, cognitive impairment, and caregiving.
- Work with community members to understand brain health, early warning signs of dementia, and benefits of early detection and diagnosis for persons with dementia and their caregivers.
- Promote engagement among tribal leaders in dementia issues by offering information and education on the basics of brain health and cognitive impairment, the impact of dementia on caregivers and communities, and the role of public health approaches in addressing this priority problem.

University of New Mexico

The ASA Community Action Research Initiative Grant is administered by the University of New Mexico. The goal of the proposed project is to build the data literacy and social research capacity of NICOA. It will equip NICOA with the ability to use its own data or existing federal data to advocate for AI/AN elders and for aging policy. The goal of building the social research capacity of NICOA will be met through a series of workshops with NICOA staff. The workshops will have two primary goals to familiarize NICOA staff and board with data and statistics and to build research design skills. The proposed project will also provide the NICOA staff with an immediate and practical application of the built skills through designing and directing data analysis of their 2018 needs assessment data and working with Dr. Huyser to identify and abstract federal data to build a portrait of Native elders in the United States.

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. 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,

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021, with Comparative Totals for 2020

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.

D. 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.

Net Assets with Donor Restrictions-Time/Purpose—Net assets with temporary donor restrictions 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. See Net Assets with Donor Restrictions Note 7.

Net Assets with Donor Restrictions-Perpetual in Nature—Net assets with perpetual donor restrictions 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 the Organization. NICOA has no donor restricted net assets that are perpetually restricted.

E. 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.

F. Concentration of Custodial Credit Risk-Uninsured Cash Balances

Custodial credit risk is the risk that in the event of a bank failure, NICOA's deposits may not be returned to it. NICOA does not have a custodial credit risk policy requiring collateral on all deposits exceeding Federal Deposit Insurance Corporation (FDIC) limits. Bank deposits are insured by the FDIC up to \$250,000 per depositor per institution for interest and noninterest-bearing accounts. NICOA maintains its cash funds in financial institutions located in Albuquerque, NM.

At June 30, 2021, cash balances were fully insured by the Federal Deposit Insurance Corporation.

G. 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, insurance, travel, and other prepaid conference costs.

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021, with Comparative Totals for 2020

H. 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.

I. 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 8.

J. 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.

K. Revenue Recognition

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. This revenue is reported at the amount that reflects the consideration to which NICOA expects to be entitled to in exchange for providing the conference to the participants. Conference fees cover keynote speakers, informational workshops, and other resources to help elders age at home and in their own communities. Performance obligations are determined based on the nature of the conference provided by NICOA. Performance obligations are met, and revenue is recognized when the conference is held. Registration fees received in advance of the conference are recorded as deferred revenue on the statement of financial position until the conference has taken place and the earnings process is substantially complete.

ii. Reciprocal Grants (Conditional Contributions)

NICOA receives several governmental grants in which the grantor provides funding. The terms of the grants specify that NICOA must incur certain

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021, with Comparative Totals for 2020

qualifying expenses or costs in compliance with the rules and regulations established by the grantor. These grant funds are paid predominately on a cost-reimbursement basis, but there can be upfront payments received at the beginning of the grant cycle. The advance payments are considered unearned revenue until services are provided. For expedient purposes, these amounts are recorded as revenue as the services will soon be provided and “trued up” at year-end, if necessary. Any advances of upfront payments must be returned, if unused. Any unused assets are forfeited, and any unallowed costs that have drawn down by NICOA are required to be refunded. These grants are determined to be conditional as they are required to be spent on qualifying expenses and therefore the revenue is recognized once NICOA has incurred the qualifying expenses. These grants are recorded without donor restrictions. Grants are utilized for the following programs: Senior Community Service Employment Program and Administration for Community Living, among others.

iii. Contract Revenue

NICOA has contracted with several agencies to provide services related to its mission. These contract revenues are recorded at the time the services are provided and the performance obligation is satisfied. The performance obligation is the delivery of the services over time provided to the participants in the program. The transaction price is established by NICOA and the Contractor per the agreement. No allocation of the transaction price of the services is necessary. The recognition method is based on participants served i.e. the output method. Specifically, when NICOA has provided the service in compliance with the general and specific requirements of the contract, both the receivable to the agency and offsetting contract revenue are recorded. Contracts are utilized for the following programs: DEC-John A. Hartford Foundation and the International Association for International Aging. See Note 1-A for program description.

iv. 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.

v. 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

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021, with Comparative Totals for 2020

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.

Occasionally, volunteers donate 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.

L. 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 2018. 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.

M. 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.

N. Use of Estimates in Preparing Financial Statements

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.

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 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:

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021, with Comparative Totals for 2020

<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. 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 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:

<u>Financial assets at year end</u>	<u>2021</u>	<u>Restated 2020</u>
Cash and cash equivalents	\$ 295,890	187,992
Receivables, net	<u>348,644</u>	<u>102,040</u>
	644,534	290,032
Less amounts not available to be used within a year:		
Net assets with donor restrictions	-	-
Less net assets with purpose/time restrictions to be met in less than a year	<u>-</u>	<u>-</u>
Current assets available to meet cash needs for general expenditures within one year	<u>\$ 644,534</u>	<u>290,032</u>

Q. 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

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021, with Comparative Totals for 2020

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, 2020, from which the summarized information was derived.

In addition, the 2020 functional allocation of expenses with 2019 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, 2020. The auditors have not given an opinion on this comparative financial statement in its independent auditor's report.

R. Reclassifications

Certain reclassifications may have been made to the 2020 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:

		2021	2020
US Bank:			
Operating	\$	247,307	159,002
Payroll		48,483	28,890
Petty cash		100	100
Total	\$	295,890	187,992

NICOA does not have restricted cash at June 30, 2021.

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. Balances over 90 days old are considered delinquent and are analyzed for collectability.

Receivable as of June 30 are as follows:

		2021	Restated 2020
Federal grants	\$	347,757	101,847
Other		887	193
		348,644	102,040
Less: Allowance for doubtful accounts		-	-
Total	\$	348,644	102,040

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

Note 4. Property, Equipment, and Depreciation

NICOA does not have any property and equipment.

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021, with Comparative Totals for 2020

Note 5. Payroll Related Liabilities and Compensated Absences

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

	<u>2021</u>	<u>2020</u>
Accrued payroll	\$ 168,072	81,178
Accrued payroll taxes	40,914	22,030
Compensated absences	36,568	27,974
Other	<u>1,751</u>	<u>1,632</u>
Total	<u>\$ 247,305</u>	<u>132,814</u>

Note 6. Deferred Revenues

Deferred revenues at June 30 consisted of the following:

	<u>2021</u>	<u>Restated 2020</u>
Grants and contracts received in advance	\$ 155,460	33,000
Conference registration	54,375	27,850
Conference - other	12,313	3,705
Other	<u>-</u>	<u>508</u>
Total	<u>\$ 222,148</u>	<u>65,063</u>

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>2020</u>	<u>Additions</u>	<u>Released</u>	<u>Adjustments</u>	<u>2021</u>
Wells Fargo Foundation	Purpose/time	\$ 101,783	-	(101,783)	-	-
John A. Hartford Foundation	Purpose/time	<u>92,980</u>	-	-	<u>(92,980)</u>	-
Total		<u>\$ 194,763</u>	<u>-</u>	<u>(101,783)</u>	<u>(92,980)</u>	<u>-</u>

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:

	<u>2021</u>	<u>2020</u>
Retirement plan contributions	\$ <u>17,499</u>	<u>14,609</u>

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

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021, with Comparative Totals for 2020

allocation rate. Final indirect cost rates through 2020 and provisional rates through 2021 have been approved by the U.S. Department of Labor. In 2021, NICOA operated under a provisional rate approved by the U.S. Department of Labor of 34%.

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:

<u>Significant Concentrations</u>	<u>2021</u>	<u>Restated 2020</u>
Federal grants	\$ 5,605,492	3,811,631
In-kind (federal match)	486,472	385,734
John A. Hartford grant	<u>62,442</u>	<u>-</u>
Total major grant revenue	6,154,406	4,197,365
Total revenue	\$ <u>6,315,276</u>	<u>4,229,208</u>
Concentration percentage	<u>97%</u>	<u>99%</u>

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.

	<u>Facilities</u>	<u>Equipment</u>	<u>Totals</u>
2022	\$ 80,337	-	80,337
2023	80,337	-	80,337
2024	80,337	-	80,337
2025	80,337	-	80,337
2026	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>321,348</u>	<u>-</u>	<u>321,348</u>

Total actual lease expenses were as follows:

	<u>2021</u>	<u>2020</u>
	\$ <u>91,781</u>	<u>93,511</u>

NATIONAL INDIAN COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2021, with Comparative Totals for 2020

Note 11. Restatement

2020 beginning net assets have been restated due to management’s implementation of ASC 606 “Revenue from Contracts with Customers” and ASU 2018-08, “Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made” in accordance with accounting principles generally accepted in the United States of America. The effects were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets, beginning of year	\$ 5,595	194,763	200,358
Restatement	-	(92,980)	(92,980)
Net assets beginning of year - restated \$	<u>5,595</u>	<u>101,783</u>	<u>107,378</u>

Note 12. 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 March 21, 2022, 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, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>AL Number</u>	<u>Contract/Grant Project/ State Number</u>	<u>Amount Expended</u>
<u>U.S. Department of Labor</u>			
<i>Direct Program</i>			
Senior Community Service Employment Program	17.235*	AD-35227-20-60-A-35	\$ 3,295,882
Senior Community Service Employment Program	17.235*	AD-35507-20-60-A-35	1,728,209
<i>Passed through the State of Oklahoma</i>			
Senior Community Service Employment Program	17.235*	8300001171	<u>119,598</u>
Total U.S. Department of Labor			<u>\$ 5,143,689</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Direct Program</i>			
Administration for Community Living			
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	90HDCR0006-01-00	\$ 171,614
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	90HD00012-05-00	66,126
Special Programs for the Aging, Title VI, Part A, Grants to Indian Tribes, Part B, Grants to Native Hawaiians	93.047	90IELT0001-02-00	54,845
Special Programs for the Aging, Title VI, Part A, Grants to Indian Tribes, Part B, Grants to Native Hawaiians	93.047	90IELT0001-01-00	<u>169,218</u>
Total U.S. Department of Health and Human Services			<u>461,803</u>
Total Expenditures of Federal Awards			<u>\$ 5,605,492</u>
<u>Reconciliation to Financial Statements</u>			
Federal award expenditures reported on the SEFA			\$ 5,605,492
Federal revenues per the Statement of Activities			<u>5,605,492</u>
Difference			<u>\$ -</u>

* Denotes major program

Notes to Schedule of Expenditures of Federal Awards

- 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, 2021.
- 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 8.



**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.
Albuquerque, NM

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, 2021, 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 March 21, 2022.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

March 21, 2022

Report on 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, 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.
Albuquerque, NM
March 21, 2022



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.
Albuquerque, NM

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited NICOA’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of NICOA’s major federal programs for the year ended June 30, 2021. NICOA’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of NICOA’s and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of NICOA’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding NICOA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of NICOA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of NICOA's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

March 21, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE,
CONTINUED

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

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

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

Hinkle & Landers, P.C.

Hinkle + Landers, P.C.
Albuquerque, NM
March 21, 2022

**NATIONAL INDIAN COUNCIL ON AGING, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2021**

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)? No

Identification of major programs:

<u>AL 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, 2021**

SECTION II and III—SUMMARY OF FINDINGS

FINANCIAL AND FEDERAL FINDINGS

<u>PRIOR YEAR</u>	<u>Findings</u>		
	<u>Current or Prior Year Finding</u>	<u>Status of Findings</u>	<u>Type of Finding *</u>
None	N/A	N/A	N/A
 <u>CURRENT YEAR</u>			
None	N/A	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. Finding that Does Not Rise to the Level of a Significant Deficiency (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 related to Federal Awards
- G. Instance of Material Non-compliance