

LECOMPTE, P.C.

CPAs & Financial Consultants

**National Indian
Council on Aging, Inc.**
Financial Statements, Single Audit
and
Independent Auditor's Report
June 30, 2015 and 2014

National Indian Council on Aging, Inc.
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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, 2015 and 2014, 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinion.

Opinion

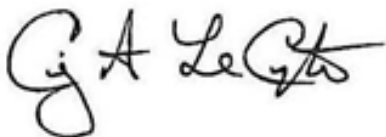
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NICOA as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 January 18, 2016, 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.



Craig A. Le Compte, CPA
Le Compte, PC
Rio Rancho, New Mexico
January 18, 2016

Financial Statements

National Indian Council on Aging, Inc.
Statements of Financial Position
For the Year Ended June 30,

	2015	2014
Assets		
<i>Current Assets</i>		
Cash	\$ 176,742	\$ 321,139
Contracts and grants receivable	358,256	290,839
Prepaid expenses	14,388	9,961
Other accounts receivable, net	8,069	6,447
Total current assets	557,455	628,386
Property and equipment, net	-	90
Other assets	-	-
Total assets	\$ 557,455	\$ 628,476
 Liabilities and Net Assets		
<i>Current Liabilities</i>		
Accounts payable	\$ 37,688	\$ 27,362
Accrued payroll and vacation	260,497	284,264
Deferred revenues	12,949	74,800
Total liabilities	311,134	386,426
 <i>Net Assets</i>		
Unrestricted, net assets	246,321	242,050
Total, net assets	246,321	242,050
Total liabilities and net assets	\$ 557,455	\$ 628,476

The accompanying notes are an integral part of these financial statements

National Indian Council on Aging, Inc.
Statements of Activities
For the Year Ended June 30,

	2015	2014
Revenues and Other Support		
Contract and grants	\$ 5,877,288	\$ 6,166,373
Conference revenue	348,681	891
Membership dues	39,850	30,600
Other revenue	8,013	63,503
Indirect cost recovery	278,415	283,831
In-kind contribution	793,620	833,997
Total revenues and other support	7,345,867	7,379,195
Expenses		
Program services		
Senior community service employment	6,463,133	6,790,011
Administration for community living	187,236	191,164
National Indian Health Board	-	5,096
Diverse Elder Coalition	11,669	12,241
Diverse Elder State Partners and Consumer Health Advocates	4,940	60
Total program services	6,666,978	6,998,572
Management and general	679,066	378,768
Total expenses	7,346,044	7,377,340
Change in unrestricted net assets	(177)	1,855
Net assets, beginning of year, restated	246,498	240,195
Net assets, end of year	\$ 246,321	\$ 242,050

The accompanying notes are an integral part of these financial statements

National Indian Council on Aging, Inc.
Statements of Cash Flows
For the Year Ended June 30,

	2015	2014
Cash flows from operating activities		
Change in net assets	\$ (177)	\$ 1,855
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	90	1,728
Prior period adjustment	4,448	-
Change in assets and liabilities		
Contracts and grants receivable	(67,417)	55,550
Prepaid expenses	(4,427)	7,115
Other accounts receivable	(1,622)	(14)
Other assets	-	-
Accounts payable	10,326	(4,294)
Accrued payroll and vacation	(23,767)	(44,277)
Deferred revenue	(61,851)	74,800
Net cash provided by operating activities	(144,397)	92,463
Cash flows from investing activities		
Purchase of property and equipment	-	-
Net cash provided for investing activities	-	-
Cash flows from financing activities		
Change in cash overdraft	-	-
Net cash provided by financing activities	-	-
Increase in cash	(144,397)	92,463
Cash - beginning of year	321,139	228,676
Cash - end of year	\$ 176,742	\$ 321,139

The accompanying notes are an integral part of these financial statements

Statements of Functional Expenses

National Indian Council on Aging, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2015

	Program Services		
	Senior Community Service Employment	Administration for Community Living National Minority Aging Organizations	Diverse Elders Coalition
Salaries	\$ 4,505,926	75,472	6,680
Payroll taxes and employee benefits	642,197	21,076	1,346
Total salaries, payroll taxes and employee benefits	5,148,123	96,548	8,026
Advertising	3,616	373	-
Audit service	-	-	-
Compensated absence	-	-	-
Consultants	-	-	-
Depreciation	-	-	-
Equipment-noncapital	11,884	2,524	-
Conference	-	-	-
Insurance	4,293	396	-
Meetings	1,296	-	-
Office supplies	21,688	2,985	1
Participant support services	325	-	-
Other	5,430	96	-
Postage	14,051	440	7
Printing	5,516	2,517	-
Professional service	32,030	30,132	150
Provision for bad debts	-	-	-
Publications, subscriptions and dues	6,963	2,334	-
Equipment rental	2,278	299	-
Rent	57,704	3,593	-
Repairs and maintenance	-	-	-
Subaward	-	-	-
Technical support	12,557	1,487	3
Telephone, internet, webhosting	28,078	1,394	1
Trainee costs	-	-	-
Training	-	-	-
Travel	71,530	8,809	1,406
In-kind	793,620	-	-
Indirect Cost	242,151	33,309	2,075
Total expenses	\$ 6,463,133	187,236	11,669

Program Services		Management and General			
Diverse Elder State Partners and Consumer health Advocates	Total Program Services	Organization Activities	Supporting Services	Total Management and General	Grand Total
2,534	4,590,612	59,515	155,552	215,067	\$ 4,805,679
617	665,236	14,277	39,108	53,385	718,621
3,151	5,255,848	73,792	194,660	268,452	5,524,300
-	3,989	-	32	32	4,021
-	-	-	16,948	16,948	16,948
-	-	(12,763)	-	(12,763)	(12,763)
-	-	-	-	-	-
-	-	90	-	90	90
-	14,408	-	12	12	14,420
-	-	215,231	-	215,231	215,231
-	4,689	4,085	744	4,829	9,518
658	1,954	91	-	91	2,045
159	24,833	2,582	7,860	10,442	35,275
-	325	-	-	-	325
-	5,526	4,555	178	4,733	10,259
8	14,506	702	518	1,220	15,726
85	8,118	4,165	42	4,207	12,325
-	62,312	15,631	3,097	18,728	81,040
-	-	-	-	-	-
-	9,297	5,255	1,199	6,454	15,751
-	2,577	72,281	2,836	75,117	77,694
-	61,297	3,483	29,162	32,645	93,942
-	-	-	-	-	-
-	-	-	-	-	-
-	14,047	4,036	13,961	17,997	32,044
-	29,473	1,146	2,492	3,638	33,111
-	-	-	-	-	-
-	-	-	-	-	-
-	81,745	10,932	31	10,963	92,708
-	793,620	-	-	-	793,620
879	278,414	-	-	-	278,414
4,940	6,666,978	405,294	273,772	679,066	\$ 7,346,044

National Indian Council on Aging, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2014

	Program Services			
	Senior Community Service Employment	Administration for Community Living National Minority Aging Organizations	National Indian Health Board	Diverse Elders Coalition
Salaries	\$ 4,785,033	85,502	3,214	6,270
Payroll taxes and employee benefits	672,304	22,851	713	1,450
Total salaries, payroll taxes and employee benefits	5,457,337	108,353	3,927	7,720
Advertising	202	320	-	-
Audit service	-	-	-	-
Compensated absence	-	-	-	-
Consultants	-	-	-	-
Depreciation	-	-	-	-
Equipment-noncapital	4,301	2,260	-	-
Conference	-	-	-	-
Insurance	5,533	483	16	-
Meetings	2,527	-	-	-
Office supplies	19,789	2,480	7	323
Participant support services	796	-	-	-
Other	5,473	169	-	-
Postage	10,876	46	4	-
Printing	2,888	316	-	-
Professional service	24,442	28,572	-	-
Provision for bad debts	-	-	-	-
Publications, subscriptions and dues	2,319	2,211	-	-
Equipment rental	2,594	483	-	1
Rent	57,755	3,496	174	-
Repairs and maintenance	186	-	-	-
Subaward	7,150	-	-	-
Technical support	26,953	1,615	16	-
Telephone, internet, webhosting	-	1,694	35	13
Trainee costs	-	-	-	-
Training	-	-	-	-
Travel	78,587	4,271	-	1,982
In-kind	833,997	-	-	-
Indirect Cost	246,306	34,395	917	2,202
Total expenses	\$ 6,790,011	191,164	5,096	12,241

Program Services		Management and General			
Diverse Elder State Partners and Consumer health Advocates	Total Program Services	Organization Activities	Supporting Services	Total Management and General	Grand Total
40	4,880,059	18,342	163,086	181,428	\$ 5,061,487
10	697,328	3,455	40,303	43,758	741,086
50	5,577,387	21,797	203,389	225,186	5,802,573
-	522	-	576	576	1,098
-	-	-	16,871	16,871	16,871
-	-	4,217	-	4,217	4,217
-	-	-	-	-	-
-	-	1,728	-	1,728	1,728
-	6,561	273	820	1,093	7,654
-	-	17,493	-	17,493	17,493
-	6,032	4,603	655	5,258	11,290
-	2,527	-	-	-	2,527
-	22,599	519	7,293	7,812	30,411
-	796	-	-	-	796
-	5,642	996	1,262	2,258	7,900
-	10,926	106	458	564	11,490
-	3,204	-	56	56	3,260
-	53,014	7,695	28,957	36,652	89,666
-	-	-	-	-	-
-	4,530	1,004	723	1,727	6,257
-	3,078	250	2,290	2,540	5,618
-	61,425	2,258	27,810	30,068	91,493
-	186	64	3	67	253
-	7,150	-	-	-	7,150
-	28,584	1,474	8,301	9,775	38,359
-	1,742	1,350	2,723	4,073	5,815
-	-	6,162	-	6,162	6,162
-	-	-	-	-	-
-	84,840	4,587	5	4,592	89,432
-	833,997	-	-	-	833,997
10	283,830	-	-	-	283,830
60	6,998,572	76,576	302,192	378,768	\$ 7,377,340

National Indian Council on Aging, Inc.

Notes to Financial Statements

June 30, 2015 and 2014

1) Organization and Summary of Significant Accounting Policies

Organization

National Indian Council on Aging, Inc. (NICOA) is a not-for-profit organization founded 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.

NICOA currently operates the following programs:

- ◆ 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 four 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 four 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

June 30, 2015 and 2014

1) Organization and Summary of Significant Accounting Policies — continued

- ◆ National Indian Health Outreach and Education Initiative

The National Indian Health Outreach and education Initiative (NIHOE) is funded by Indian Health Service (HIS) pass-through National Indian health Board (NIHB) to provide the outreach and educational training and technical assistance about Affordable Care Act (ACA) and their changes and requirements that will target American Indian and Alaska Native elders and seniors regarding the ACA and the Indian Health Care Improvement Act (IHICIA); to provide ACA and IHICIA education that translates in everyday language explaining the benefits of the laws for seniors and elders; to strengthen and unify partnerships to strategically identify and conduct activities that will be implemented throughout the Indians/Tribal/urban community.

- ◆ Diverse Elder Coalition (DEC)

Personnel, fringe benefits, travel, supplies, contractual, and indirect costs. 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.

National Indian Council on Aging, Inc.

Notes to Financial Statements

June 30, 2015 and 2014

1) Organization and Summary of Significant Accounting Policies — continued

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. Under the accrual basis 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.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, NICOA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. No temporarily restricted net assets or permanently restricted net assets were held during 2015 and 2014 and, accordingly, these financial statements do not reflect any activity related to those classes of net assets.

Use of Estimates

Financial statement preparation in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statement date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

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. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over an estimated useful life of seven years.

National Indian Council on Aging, Inc.

Notes to Financial Statements

June 30, 2015 and 2014

1) Organization and Summary of Significant Accounting Policies — continued

Prepaid Expenses

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

Grants and Contract Services

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

Conference Revenue and Related Expenses

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.

Donated Services and Materials

A number of volunteers have donated time to NICOA's programs and administration. As these services do not qualify for recognition as donated services in accordance with SFAS No. 116, they are not recorded as revenue and expense.

Donated services are recognized as contributions in accordance with SFAS No. 116 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 unrestricted net assets 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 restricted contributions. 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 temporarily restricted net assets to unrestricted net assets when the restrictions have been satisfied.

National Indian Council on Aging, Inc.

Notes to Financial Statements

June 30, 2015 and 2014

1) Organization and Summary of Significant Accounting Policies — continued

Functional Expense and Indirect Cost Rate

Expenses that can be identified with a specific program are allocated directly according to their natural expenditure 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.

Income Taxes

NICOA is exempt from state and federal income taxes on related income under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). NICOA is classified as other than a private foundation.

Financial Instruments

NICOA believes the carrying amount of its federal contracts, grants receivable, and accounts payable approximates fair value due to their short maturity.

Concentrations of Credit Risk

NICOA maintains its cash balances in financial institutions located in Albuquerque, New Mexico. These balances 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.

2) Receivables

Receivables consist of the following at June 30:

	<u>2015</u>	<u>2014</u>
Federal contracts and grants	\$ 358,256	\$ 290,839
Other	<u>8,069</u>	<u>6,447</u>
Less allowance for doubtful accounts	<u>-</u>	<u>-</u>
	<u>\$ 366,325</u>	<u>\$ 297,286</u>

NICOA uses the allowance method to value estimated uncollectible contracts and grants 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.

National Indian Council on Aging, Inc.

Notes to Financial Statements

June 30, 2015 and 2014

3) Property and Equipment

A summary of property and equipment at June 30, follows:

	2015	2014
Furniture, fixtures and equipment	\$30,959	\$30,959
Less accumulated depreciation	(30,959)	(30,869)
	<u>\$ 0</u>	<u>\$ 90</u>

Depreciation expenses are \$90, and \$1,728 for the years ended June 30, 2015 and June 30, 2014, respectively.

4) 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 totaled \$15,051 and \$16,604 for the years ended June 30, 2015 and 2014, respectively.

5) Commitments and Contingencies

Grant and Indirect Cost Rate Finalization

The grants and contracts 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 2014 and provisional rates through 2016 have been approved by the Department of Labor. In 2015, NICOA operated under a provisional rate approved by the Department of Labor. At this time, no reasonable estimate can be made as to adjustments, if any, in amounts due to or from grantors that may result from the closing process. Actual general and administrative costs reported in the accompanying statements of activities, and for prior years since inception of ongoing grants, exceeded billed costs, and management believes no material reimbursements to granting agencies resulting from the closing audit process will be due. In the opinion of management, adjustments resulting from the audit year 2015 are not expected to have a material effect on the financial position, or changes in net assets for NICOA.

Concentration of Revenue

NICOA receives the majority of its funding from federal contracts and 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 sources. NICOA is actively seeking donations from sources other than federal entities.

National Indian Council on Aging, Inc.
Notes to Financial Statements
June 30, 2015 and 2014

6) Prior Period Adjustment

Prior period adjustments have been made to the net assets. The following table describes each adjustment and its effect on net assets as of June 30, 2015:

<u>Description</u>	<u>Effect</u>	<u>Amount</u>
Reclassification of account from liability to expense	Increases net assets	\$ 4,217
Minor adjustment during net assets reconciliation	Increases net assets	518
Uncashed check adjustment	Decrease net assets	288
	Total net assets adjustments	\$ <u>4,448</u>

7) Subsequent Events

NICOA has evaluated subsequent events through January 18, 2016, which is the date the financial statements were available to be issued.

Single Audit (OMB Circular A-133)

Schedule of Expenditures of Federal Awards

National Indian Council on Aging, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Amount</u>
U.S. Department of Labor			
Senior Community Service Employment Program	17.235	AD255311455A35	\$ 5,486,639
	17.235	AD241981355A35	182,875
			<u>\$ 5,669,514</u>
U.S. Department of Health and Human Services			
Administration for Community Living			
Pass through National Indian Health Board	93.048	90HD000803-01	\$ 172,899
	93.048	90HD000802	14,336
Total U.S. Department of Health and Human Services			<u>\$ 187,235</u>
Total Expenditures of Federal Awards			<u><u>\$ 5,856,749</u></u>

The accompanying notes are an integral part of this schedule

National Indian Council on Aging, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Year June 30, 2015

1) Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in Note 1 to the financial statements.

2) Reconciliation

Federal award expenditures reported on the schedule of expenditures of federal awards	\$5,856,749
Expenditures funded with federal indirect cost recovery program support	278,415
Expenditures funded with nonfederal program support	<u>1,210,880</u>
Total expenditures reported on the statement of activities	<u>\$7,436,044</u>



LECOMPTE, P.C.

CPAs & Financial Consultants

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 National Indian Council on Aging, Inc. (NICOA) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 18, 2016.

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 the Organization'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.

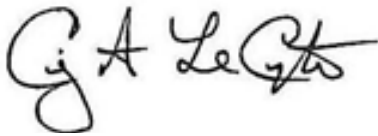
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 of 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.

A handwritten signature in black ink, appearing to read "Craig A. Le Compte". The signature is written in a cursive style with a large initial "C" and "A".

Craig A. Le Compte, CPA
Le Compte, PC
Rio Rancho, New Mexico
January 18, 2016



LECOMPTE, P.C.

CPAs & Financial Consultants

Independent Auditor's Report on Compliance for Each Major Program
And On Internal Control Over Compliance Required by OMB Circular A-133

Board of Directors
National Indian Council on Aging, Inc.

Report on Compliance for Each Major Federal Program

We have audited the compliance of National Indian Council on Aging, Inc. (NICOA) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are could have a direct and material effect on each of NICA's major federal programs for the year ended June 30, 2015. 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 laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 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 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, 2015.

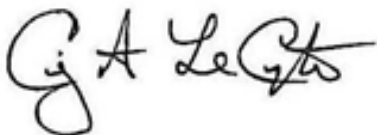
Report on Internal Control Over Compliance

Management of 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 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 OMB Circular A-133, 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Craig A. Le Compte, CPA
Le Compte, PC
Rio Rancho, New Mexico
January 18, 2016

National Indian Council on Aging, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Section I — Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
17.235	Senior Community Service Employment Program

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
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, 2015

Section II — Financial Statement Findings

None

Section III — Financial Statement Findings

None

National Indian Council on Aging, Inc.
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2015

No prior audit findings.