

CENTRAL COUNCIL OF THE TLINGIT  
AND HAIDA INDIAN TRIBES OF ALASKA

STATE SINGLE AUDIT REPORTS

Year Ended December 31, 2015



CENTRAL COUNCIL OF THE TLINGIT AND HAIDA INDIAN TRIBES OF ALASKA

STATE SINGLE AUDIT REPORTS

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## 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*

The Members of the Council  
Central Council of the Tlingit and Haida  
Indian Tribes of Alaska

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Central Council of the Tlingit and Haida Indian Tribes of Alaska (the Central Council) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Central Council's basic financial statements, and have issued our report thereon dated April 11, 2016.

### ***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Central Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Central Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Central Council'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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 the Central Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

Handwritten signature in cursive script, appearing to read 'ERM'.

April 11, 2016

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE OF ALASKA AUDIT GUIDE AND COMPLIANCE SUPPLEMENT FOR STATE SINGLE AUDITS

The Members of the Council  
Central Council of the Tlingit and Haida  
Indian Tribes of Alaska

### **Report on Compliance for Each Major State Program**

We have audited the Central Council of the Tlingit and Haida Indian Tribes of Alaska's (the Central Council) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of the Central Council's major state programs for the year ended December 31, 2015. The Central Council's major state programs are identified in the accompanying schedule of state financial assistance.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Central Council's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* 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 state program occurred. An audit includes examining, on a test basis, evidence about the Central Council'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 state program. However our audit does not provide a legal determination of the Central Council's compliance.

### **Opinion on Each Major State Program**

In our opinion, the Central Council 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 state programs for the year ended December 31, 2015.

## **Report on Internal Control over Compliance**

Management of the Central Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Central Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Central Council'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 state 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 state 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

## **Report on the Schedule of State Financial Assistance and Schedules of Expenditures - Budget and Actual Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and State of Alaska Department of Health and Social Services**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Central Council as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Central Council's basic financial statements. We issued our report thereon dated April 11, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of state financial assistance and schedules of expenditures - budget and actual are presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and State of Alaska Department of Health and Social Services, respectively, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of state financial assistance and schedules of expenditures – budget and actual are fairly stated in all material respects in relation to the basic financial statements as a whole.

*ERM*

April 11, 2016

CENTRAL COUNCIL OF THE TLINGIT AND HAIDA INDIAN TRIBES OF ALASKA

SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year Ended December 31, 2015

<u>State of Alaska Grantor/Program Title</u>	<u>Grant Number</u>	<u>Award</u>	<u>Expenditures</u>
Department of Health and Social Services:			
Rural Child Welfare Services Program	* 603-257-1503	\$ 262,464	\$ 112,794
Rural Child Welfare Services	603-257-1603	262,464	69,454
Native Family Assistance Program	* 604-266-1502	2,554,727	1,732,063
Native Family Assistance	* 604-266-1602	<u>2,554,727</u>	<u>891,601</u>
Total Department of Health and Social Services		<u>5,634,382</u>	<u>2,805,912</u>
Department of Education and Early Development:			
Head Start	* HS 15.067.01	444,408	231,040
Head Start	* HS 16.067.01	<u>441,170</u>	<u>259,174</u>
Total Department of Education and Early Development		<u>885,578</u>	<u>490,214</u>
Department of Commerce, Community, and Economic Development:			
Juneau Alaska Native Youth Suicide Prevention Coalition	11-DC-476	<u>150,000</u>	<u>6,294</u>
Department of Public Safety:			
Village Public Safety Officer Program	* VPSO 15-403	1,129,633	497,592
Village Public Safety Officer Program	* VPSO 16-403	<u>956,849</u>	<u>411,205</u>
Total Department of Public Safety		<u>2,086,482</u>	<u>908,797</u>
Total State Financial Assistance		<u>\$ 8,756,442</u>	<u>\$ 4,211,217</u>

\* Major Program

See notes to schedule of state financial assistance.

CENTRAL COUNCIL OF THE TLINGIT AND HAIDA INDIAN TRIBES OF ALASKA

NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE

Year Ended December 31, 2015

General

The accompanying schedule of state financial assistance presents the activity of all state financial assistance programs of the Central Council of the Tlingit and Haida Indian Tribes of Alaska (the Central Council). The Central Council's reporting entity is defined in Note 1 to the Central Council's basic financial statements. State financial assistance received directly from state agencies is included in the schedule.

Basis of Accounting

The accompanying schedule of state financial assistance is presented using the modified-accrual basis of accounting, which is described in Note 1 to the Central Council's basic financial statements.

Relationship to Basic Financial Statements

The following is a reconciliation of state revenues reported in the Central Council's basic financial statements to state expenditures reported in the schedule of state financial assistance:

Reimbursable program costs as reported in the basic financial statements, Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances and other combining schedules:	
Non-Major State Special Revenue Funds	\$ 1,539,044
Major Special Revenue Funds:	
TANF	5,246,056
Head Start	2,962,884
Less:	
Reimbursable program costs included in the funds listed above but not reported on the schedule of state financial assistance:	
Direct federal assistance	(4,721,941)
Federal assistance passed through the State of Alaska	(441,705)
Other non-grant assistance	<u>(373,121)</u>
Total state expenditures as reported in the schedule of state financial assistance	<u>\$ 4,211,217</u>

CENTRAL COUNCIL OF THE TLINGIT AND HAIDA INDIAN TRIBES OF ALASKA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2015

**SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?        Yes   x   No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?        Yes   x   None reported

Noncompliance material to financial statements noted?        Yes   x   No

***State Awards***

Type of auditor's report issued on compliance for major state programs: Unmodified

Internal control over major state programs:

- Material weakness(es) identified?        Yes   x   No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?        Yes   x   None reported

Dollar threshold used to distinguish a state major program:                   \$75,000

**FINDINGS – FINANCIAL STATEMENT AUDIT**

None to report for fiscal year 2015.

**FINDINGS AND QUESTIONED COSTS – STATE MAJOR PROGRAMS AUDIT**

None to report for fiscal year 2015.

CENTRAL COUNCIL OF THE TLINGIT AND HAIDA INDIAN TRIBES OF ALASKA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended December 31, 2015

**FINDINGS – FINANCIAL STATEMENT AUDIT**

None reported for fiscal year 2014.

**FINDINGS AND QUESTIONED COSTS – STATE MAJOR PROGRAMS AUDIT**

None reported for fiscal year 2014.

CENTRAL COUNCIL OF THE TLINGIT AND HAIDA INDIAN TRIBES OF ALASKA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Rural Child Welfare Services Program (603-257-1503)

Year Ended December 31, 2015

	Grant Budget	Actual Expenditures		Total	Variance Favorable (Unfavorable)
		FY14 (6 months ended Dec 31, 2014)	FY15 (6 months ended June 30, 2015)		
Expenditures:					
Personal services	\$ 167,566	\$ 96,785	\$ 70,781	\$ 167,566	\$ -
Travel	5,334	2,708	2,626	5,334	-
Supplies	3,180	1,033	2,147	3,180	-
Other	1,657	828	829	1,657	-
Indirect costs	84,727	48,316	36,411	84,727	-
Total expenditures	<u>\$ 262,464</u>	<u>\$ 149,670</u>	<u>\$ 112,794</u>	<u>\$ 262,464</u>	<u>\$ -</u>

See independent auditor's report.

CENTRAL COUNCIL OF THE TLINGIT AND HAIDA INDIAN TRIBES OF ALASKA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Rural Child Welfare Services (603-257-1603)

Year Ended December 31, 2015

	<u>Grant Budget</u>	<u>Actual (6 months ended Dec 31, 2015)</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Personal services	\$ 182,607	\$ 49,347	\$ 133,260
Travel	4,290	20	4,270
Supplies	1,433	-	1,433
Other	2,400	1,104	1,296
Indirect costs	<u>71,734</u>	<u>18,983</u>	<u>52,751</u>
Total expenditures	<u>\$ 262,464</u>	<u>\$ 69,454</u>	<u>\$ 193,010</u>

See independent auditor's report.

CENTRAL COUNCIL OF THE TLINGIT AND HAIDA INDIAN TRIBES OF ALASKA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Native Family Assistance Program (604-266-1502)

Year Ended December 31, 2015

	Grant Budget	Actual Expenditures		Total	Variance Favorable (Unfavorable)
		FY14 (6 months ended Dec 31, 2014)	FY15 (6 months ended June 30, 2015)		
Expenditures:					
Direct assistance grants	\$ 2,173,113	\$ 763,217	\$ 1,409,896	\$ 2,173,113	\$ -
Indirect costs	381,614	59,447	322,167	381,614	-
Total expenditures	<u>\$ 2,554,727</u>	<u>\$ 822,664</u>	<u>\$ 1,732,063</u>	<u>\$ 2,554,727</u>	<u>\$ -</u>

See independent auditor's report.

CENTRAL COUNCIL OF THE TLINGIT AND HAIDA INDIAN TRIBES OF ALASKA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Native Family Assistance (604-266-1602)

Year Ended December 31, 2015

	<u>Grant Budget</u>	<u>Actual (6 months ended Dec 31, 2015)</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Direct assistance grants	\$ 2,170,759	\$ 879,444	\$ 1,291,315
Indirect costs	<u>383,968</u>	<u>12,157</u>	<u>371,811</u>
Total expenditures	<u>\$ 2,554,727</u>	<u>\$ 891,601</u>	<u>\$ 1,663,126</u>

See independent auditor's report.

CENTRAL COUNCIL OF THE TLINGIT AND HAIDA INDIAN TRIBES OF ALASKA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Tribal Title IV-E Provider Agreement (603-15-229)\*\*

Year Ended December 31, 2015

	Grant Budget	Actual Expenditures		Total	Variance Favorable (Unfavorable)
		FY14 (6 months ended Dec 31, 2014)	FY15 (6 months ended June 30, 2015)		
Expenditures:					
Personal services	\$ 225,541	\$ 53,688	\$ 171,853	\$ 225,541	\$ -
Travel	6,916	589	6,327	6,916	-
Supplies	821	615	206	821	-
Other	16,379	3,434	12,945	16,379	-
Indirect costs	99,764	27,804	71,960	99,764	-
Total expenditures	<u>\$ 349,421</u>	<u>\$ 86,130</u>	<u>\$ 263,291</u>	<u>\$ 349,421</u>	<u>\$ -</u>

\*\* Federal award passed through the State of Alaska Department of Health and Human Services

See independent auditor's report.

CENTRAL COUNCIL OF THE TLINGIT AND HAIDA INDIAN TRIBES OF ALASKA

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Tribal Title IV-E Provider Agreement (603-16-229)\*\*

Year Ended December 31, 2015

	<u>Grant Budget</u>	<u>Actual (6 months ended Dec 31, 2015)</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Personal services	\$ 100,600	\$ 37,086	\$ 63,514
Travel	10,000	639	9,361
Supplies	-	160	(160)
Other	2,616	2,737	(121)
Indirect costs	<u>42,580</u>	<u>15,278</u>	<u>27,302</u>
Total expenditures	<u>\$ 155,796</u>	<u>\$ 55,900</u>	<u>\$ 99,896</u>

\*\* Federal award passed through the State of Alaska Department of Health and Human Services

See independent auditor's report.