



Report of Independent Auditors
Grants Fund Financial Statements

**Central Council of the Tlingit and Haida
Indian Tribes of Alaska**

Year Ended December 31, 2024



MOSSADAMS

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Report of Independent Auditors

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Grants Fund of the Central Council of the Tlingit and Haida Indian Tribes of Alaska as of and for the year ended December 31, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Grants Fund of the Central Council of the Tlingit and Haida Indian Tribes of Alaska as of December 31, 2024, and the change in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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 the Central Council of the Tlingit and Haida Indian Tribes of Alaska 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 Matter

As discussed in Note 1, the financial statements present only the Grants Fund of the Central Council of the Tlingit and Haida Indian Tribes of Alaska, and do not purport to, and do not, present fairly the financial position of the reporting entity of Central Council of the Tlingit and Haida Indian Tribes of Alaska as of December 31, 2024, the changes in its financial position, or, where applicable, its cash flows thereof for the year then ended 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.

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 GAAS 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 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 GAAS and *Government Auditing Standards*, 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 the Central Council of the Tlingit and Haida Indian Tribes of Alaska's internal control. 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.

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.

Required Supplementary Information

Management has omitted management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Central Council of the Tlingit and Haida Indian Tribes of Alaska's Grant Fund financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* 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. The accompanying schedule of state financial assistance, as required by *the State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, is also 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 schedule of expenditures of federal awards and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the Grants Fund 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 April 11, 2025, on our consideration of the Central Council of the Tlingit and Haida Indian Tribes of Alaska'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Central Council of the Tlingit and Haida Indian Tribes of Alaska's 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 Central Council of the Tlingit and Haida Indian Tribes of Alaska's internal control over financial reporting and compliance.



Bellingham, Washington
April 11, 2025

Grants Fund Financial Statements

Central Council of the Tlingit and Haida Indian Tribes of Alaska
Balance Sheet – Grants Fund
December 31, 2024

ASSETS

Equity in central treasury	
Cash and cash equivalents	\$ 24,519,094
Investments	16,465,784
Receivables, net	
Federal	5,747,418
State of Alaska	2,510,502
Other	1,026
Prepaid items	<u>2,571</u>
 Total assets	 <u><u>\$ 49,246,395</u></u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payables	\$ 112,332
Due to other funds	6,385,826
Unearned revenue	<u>40,984,878</u>
 Total liabilities	 <u>47,483,036</u>

FUND BALANCES

Nonspendable	2,571
Restricted – TANF	978,928
Assigned	<u>781,860</u>
 Total fund balances	 <u>1,763,359</u>

TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 49,246,395</u></u>
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See accompanying notes.

Central Council of the Tlingit and Haida Indian Tribes of Alaska
Statement of Revenues, Expenditures, and
Change in Fund Balance – Grants Fund
Year Ended December 31, 2024

REVENUES

Investment income	\$ 77,578
Reimbursable direct program costs	74,278,438
Reimbursable indirect program costs	7,071,725
Compact funding	
Direct	11,321,456
BIA indirect	3,931,728
Other income	<u>817,600</u>

Total revenues	<u>97,498,525</u>
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EXPENDITURES

Administration	215,502
Health and welfare	35,249,256
Education	9,552,255
Economic development	5,993,261
Tribal assistance	3,025,720
Natural resources	1,584,588
Capital outlay	30,568,330
Allocation of indirect costs	<u>12,556,851</u>

Total expenditures	<u>98,745,763</u>
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EXCESS (DEFICIENCY) OF REVENUES
OVER (UNDER) EXPENDITURES

(1,247,238)

OTHER FINANCING SOURCES

Transfers and distributions in (out), net	1,110,161
Indirect subsidy transfers in (out)	<u>425,950</u>

Total other financing sources	<u>1,536,111</u>
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NET CHANGE IN FUND BALANCE

288,873

FUND BALANCE, beginning of year

1,474,486

FUND BALANCE, end of year

\$ 1,763,359

See accompanying notes.

Central Council of the Tlingit and Haida Indian Tribes of Alaska

Notes to Grants Fund Financial Statements

December 31, 2024

Note 1 – Summary of Significant Accounting Policies

Central Council of the Tlingit and Haida Indian Tribes of Alaska, (CCTHITA, the Council, or Central Council) is the Tribal Government representing over 37,000 Tlingit and Haida Indians worldwide. The Council is a sovereign entity and has a government-to-government relationship with the United States. The Council's headquarters are in Juneau, Alaska, but the Council is committed to serving the Tlingit and Haida people throughout the United States. The Council offers an extensive range of services to its tribal members.

The accompanying financial statements present only the Grants Fund (the Fund) of Central Council and do not include the Central Council's other funds or component units. These financial statements do not purport to, and do not present, the financial position and changes in financial position of the Central Council as a whole in accordance with accounting principles generally accepted in the United States of America.

The more significant of the Grants Fund's accounting policies are described below.

The financial statements of the Grants Fund have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB statements and interpretations constitute GAAP for governments, including Indian Tribes. The following notes to the financial statements are an integral part of the Grants Fund's financial statements.

The Grants Fund accounts for the operations related to the Central Council's grants and contracts revenue sources that are legally restricted to expenditures for specified purposes. Central Council's grants and contracts provide a broad range of programs, activities, functions, and services to eligible Alaska Natives in the areas of health and welfare, education, economic development, tribal assistance, natural resources, and tribal operations.

Basis of accounting – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Fund is a governmental fund and is reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when it is both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to fund liabilities of the current period. A 180-day availability period is used for revenue recognition for all Fund revenues. Expenditures are recorded when the related fund liability is incurred except for principal and interest on general long-term debt and obligations, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Allocation of costs such as depreciation and amortization is not recognized in governmental funds. General capital asset acquisitions under leases are reported as other financing sources.

Cash and cash equivalents – The Central Council has defined cash and cash equivalents as deposits maintained in the central treasury. Additional disclosures describing the central treasury are provided in Note 2.

Central Council of the Tlingit and Haida Indian Tribes of Alaska

Notes to Grants Fund Financial Statements

Year Ended December 31, 2024

Investments – Investments are reported at fair value. Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Additional disclosures describing investments are provided in Note 2.

Receivables – Intergovernmental receivables consist of amounts due for reimbursement of approved expenditures on grants and contracts entered into with various governmental agencies. Receivables of this nature are not collateralized and are considered fully collectible.

Capital assets – Capital assets generally result from expenditures in the governmental funds. These assets are not reported in the Fund financial statements. Purchases of property and equipment made with grant or contract monies are recorded as program expenditures when acquired in the Fund. Generally, title to property and equipment acquired with the proceeds of grant or contract monies vests with Central Council but are restricted for use by the granting agencies.

Unearned revenue – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

Compensated absences – Central Council employees earn personal leave. Personal leave is accrued and recorded in the government-wide and business-type proprietary fund financial statements as an expenditure/expense in the period earned by employees and, therefore, is not reported in these Grants Fund financial statements. A liability for these amounts is reported in the Grants Fund financial statements only if it has matured (e.g., the employee has terminated employment).

Fund balance – The Fund financial statements report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

1. Non-spendable – The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form (prepaid items or inventories) or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

2. Restricted – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the Executive Council—the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Executive Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Central Council of the Tlingit and Haida Indian Tribes of Alaska
Notes to Grants Fund Financial Statements
Year Ended December 31, 2024

4. Assigned – This classification reflects the amounts constrained by the Central Council's "intent" to be used for specific purposes, but neither restricted nor committed. The Executive Council, President, and Chief Operating Officer have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the Fund, that are not classified as non-spendable, and are neither restricted nor committed.
5. Unassigned – This fund balance is the residual net resources in excess of the other classifications. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is Central Council's policy to use externally restricted resources first, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

Interfund activity – During the course of operation, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are properly classified as "due from other funds" or "due to other funds" on the balance sheet. Exchange-like transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed. All other interfund transfers are reported as operating transfers.

Management's use of estimates – The preparation of the financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Income taxes – The Central Council as a federally recognized sovereign Tribal government and is exempt from federal income taxes.

Budgetary accounting – The Central Council maintains encumbrances as a purchasing control. However, encumbrances are not legally adopted. Therefore, in accordance with GAAP, budgetary comparison schedules are not required to be reported in these financial statements.

Central Council of the Tlingit and Haida Indian Tribes of Alaska
Notes to Grants Fund Financial Statements
Year Ended December 31, 2024

Indirect cost – Indirect costs represent recoverable overhead costs attributable to programs in connection with the administering of and accounting for these programs. The amount recorded to each program is determined by a rate that is negotiated each fiscal year between the Central Council and the U.S. Department of the Interior, Interior Business Center. The indirect cost pool expenses for the year ended December 31, 2024, are as follows:

	Indirect Cost Pool
Salaries and fringe benefits	
Salaries and wages	\$ 9,026,051
Fringe benefits and taxes	698,995
Operating expenses	
Staff travel, training, and other costs	1,155,765
Professional fees and contractual services	2,066,323
Supplies	677,723
Telephone and other utilities	221,958
Office expenses	405,273
Property and liability insurance	104,454
Repairs and maintenance	29,225
Depreciation (within governmental activities)	1,242,804
	<hr/>
Total expenditures	<u><u>\$ 15,628,571</u></u>

Note 2 – Equity in Central Treasury

Central Council uses a central treasury concept for cash of all funds. The Grants Fund participates in the equity in the central treasury of the Central Council.

Demand deposits and investments—reconciliation to equity in central treasury

Demand deposits and investments	
Demand deposits (carrying amount)	\$ 24,519,094
Investments in equity, and bond mutual funds	16,465,784
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	<u><u>\$ 40,984,878</u></u>

Demand deposits – At December 31, 2024, the Grants Fund’s share of the central treasury cash account was \$24,519,094.

Custodial credit risk—demand deposits – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. As of December 31, 2024, the balance of \$2,170,379 was uninsured and uncollateralized.

Central Council of the Tlingit and Haida Indian Tribes of Alaska

Notes to Grants Fund Financial Statements

Year Ended December 31, 2024

Central Council maintains a collateral agreement with its depository financial institution, Wells Fargo. Pursuant to this agreement, in order to cover the uninsured deposits, Wells Fargo will pledge a securities collateral held by a custodian, Bank of New York (BNY), a third-party agent of Wells Fargo. The collateral will be held in the name of BNY and for the benefit of Central Council. The aggregate market value of collateral held by BNY will at all times be not less than one hundred percent of the amount of collected funds on deposit at Wells Fargo, plus accrued interest, and to the extent not insured by the Federal Deposit Insurance Corporation.

Central Council's demand deposits are not subject to interest rate risk, credit risk, or concentration of credit risk.

Investment Policies

The Council's investment objective is to achieve a return consistent with the level of risk authorized by the most recently adopted portfolio. At December 31, 2024, the Grants Fund's share of central treasury investment account was \$16,465,784.

Investment allocation – A summary of the Central Council's investments at December 31, 2024, is displayed below by asset allocation category.

<u>Portfolio Mix</u>	<u>Total Cost</u>	<u>Fair Value</u>
Fixed income securities		
Bond Funds	\$ 6,110,119	\$ 6,122,892
Equity securities		
Domestic Large-Cap Equity Funds	1,111,198	1,163,235
Domestic Mid-Cap Equity Funds	660,552	663,684
Domestic Small-Cap Equity Funds	2,022,396	3,088,365
International Equity Funds	<u>3,531,713</u>	<u>5,427,608</u>
 Total investments	 <u><u>\$ 13,435,978</u></u>	 <u><u>\$ 16,465,784</u></u>

Custodial credit risk—investments – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in possession of an outside party. To mitigate this risk for its investments, the Council maintains an independent custody broker (Charles Schwab Institutional Brokerage and Wells Fargo) to hold all investments registered in Central Council's name and requires delivery versus payment (DVP), in which the securities are provided at the same time or before payment is made.

Central Council of the Tlingit and Haida Indian Tribes of Alaska

Notes to Grants Fund Financial Statements

Year Ended December 31, 2024

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Central Council limits its exposure to credit risk by limiting investments to the quality permitted in its investment policies and by requiring each portfolio be diversified with regard to specific issuer, industry, and sector. At December 31, 2024, Central Council had the following credit quality mix:

	Fair Value	Aaa-A	Bbb-B	Below B	N/R
Bond Funds	\$ 3,203,376	\$ 1,545,785	\$ 1,552,279	\$ 73,297	\$ 32,015
US Government Securities	2,919,516	2,919,516	-	-	-
Total fixed income securities	<u>\$ 6,122,892</u>	<u>\$ 4,465,301</u>	<u>\$ 1,552,279</u>	<u>\$ 73,297</u>	<u>\$ 32,015</u>

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As a means to limit credit risk, Central Council's investment policy limits exposure through its asset allocation policy.

At December 31, 2024, Central Council's grant fund did not have any investments exceeding 5% of the total investments.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect an investment's fair value. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the Council's investment policy diversifies its investments in the various investment categories listed in the portfolios.

As of December 31, 2024, the Grants Fund's had the following fixed income securities:

	Fair Value	Maturing in Less Than 1 Year	Maturing in 1 to 5 Years	Maturing in 5 to 10 Years	Maturing in Over 10 Years
Bond Funds	\$ 6,122,892	\$ 179,920	\$ 2,877,126	\$ 2,009,830	\$ 1,056,016
Total fixed income securities	<u>\$ 6,122,892</u>	<u>\$ 179,920</u>	<u>\$ 2,877,126</u>	<u>\$ 2,009,830</u>	<u>\$ 1,056,016</u>

Market risk – Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security of its issuer or factors affecting all securities in the market. The Central Council limits its risk by investing in diverse markets including international equities and emerging markets, in addition to its investments in domestic securities.

Fair value measurements – Central Council categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments for equity securities in the amount of \$10,342,892 are classified as Level 1 inputs and investments for fixed income securities in the amount of \$6,122,892 are classified as Level 2 inputs.

Central Council of the Tlingit and Haida Indian Tribes of Alaska
Notes to Grants Fund Financial Statements
Year Ended December 31, 2024

Note 3 – Receivables from Other Governments and Unearned Revenues

The receivables from other governments and unearned revenues at December 31, 2024 consist of the following:

	Intergovernmental Receivables	Unearned Revenues
Grants and contracts (funding agencies)		
Department of Health and Human Services	\$ 518,740	\$ 508,833
Department of Interior – Bureau of Indian Affairs	61,066	28,445,473
Department of Labor	4,076	-
Department of Commerce	526,207	-
Institute of Museum and Library Services	95,692	-
Department of Education	758,806	68,192
Department of Justice	436,742	10,680
Environmental Protection Agency	53,885	-
Department of Homeland Security	336,555	-
Department of Transportation	-	1,919,225
Department of Treasury	-	8,438,112
Department of Agriculture	2,055,625	-
National Science Foundation	169,707	-
State and Other Funding Sources	3,241,845	1,594,363
	<u>\$ 8,258,946</u>	<u>\$ 40,984,878</u>
Total accrued/unearned revenues	<u>\$ 8,258,946</u>	<u>\$ 40,984,878</u>

Note 4 – Pension Plan

Effective January 1, 2016, the Central Council provides pension benefits for all of its full-time employees through a defined contribution 401(k) plan (the Plan). Employees are eligible to participate in the Plan after 90 days with their own deferrals. Employees are eligible for the employer match and the non-elective contribution requires one year of employment and 1,000 hours of service. The Plan is 100% of up to a maximum of 5% of the employee's contribution and is immediately fully vested. The non-elective contribution has a vesting schedule of 20% per year. Plan admission dates are the first day of each calendar quarter. Central Council will match up to a maximum match of 7% of each eligible employee's contribution. Central Council's contribution to the Plan for each employee is fully vested immediately. Central Council has designated Principal to be the administrator and recordkeeper. The non-discretionary trustee of the Plan includes members of Tribal management.

Note 5 – Interfund Receivables and Payables

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between the Central Council funds are made, and are considered to be current balances. At December 31, 2024, interfund payables due to the general fund were \$6,385,826.

Central Council of the Tlingit and Haida Indian Tribes of Alaska
Notes to Grants Fund Financial Statements
Year Ended December 31, 2024

Note 6 – Transfers

Transfers are used to (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations for indirect costs not reimbursed by grantors, and (2) reimburse other funds for purchases in the prior year for allowable grant costs in the current year. At December 31, 2024, there were no transfers to other funds, and transfers from the Central Council's general fund were \$1,536,111.

Note 7 – Contingent Liabilities

Most of the Council's revenues are received from federal and state grants and contracts, which restrict the use of revenues to carry out specific programs and may require a grantor's approval before certain expenditures are allowable. The Council is required to submit written progress reports for the activities being performed. The final expenditures are generally subject to a compliance audit to determine the allowability of costs for which reimbursement has previously been granted. Adjustments of amounts received under grants and contracts could result if the grants and contracts are audited by such agencies. Management does not believe that such adjustments, if any, would be material; accordingly, no provision for liability from such adjustment, if any, is included in the accompanying financial statements.

Note 8 – Risk Management

Central Council faces a considerable number of risks of loss, including (a) damage and loss to property and contents, (b) employee torts, (c) professional liabilities (i.e., errors and omissions), (d) workers' compensation injuries, (e) environmental damage, and (f) medical insurance of employees. In 2024, Central Council continued to purchase commercial insurance policies for general liability, excess liability, property insurance, employees' health and medical, workers' compensation, directors' and officers' liability, auto liability, crime insurance, boiler and machinery, contractors' coverage, fine arts, and data processing insurance. Central Council did not have any settled claims in excess of its commercial insurance coverage in any of the past three years.

Note 9 – Economic Dependence

Central Council's Grants Fund receives a substantial portion of its support from federal and state governments. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Grants Fund's programs and activities.

Single Audit Reports

Report of Independent Auditors 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 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 Grants Fund of the Central Council of the Tlingit and Haida Indian Tribes of Alaska (Central Council) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Central Council's Grants Fund financial statements, and have issued our report thereon dated April 11, 2025.

Report on 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) 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

Report on 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 financial statements. 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*.

Central Council's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Central Council's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Central Council's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Bellingham, Washington
April 11, 2025

Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal 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 identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Central Council's major federal programs for the year ended December 31, 2024. The Central Council'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, the Central Council complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the Central Council 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 the Central Council'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 the Central Council'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 the Central Council'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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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 the Central Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the Central Council'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 the Central Council'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 the Central Council'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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Central Council's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Central Council's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Bellingham, Washington
April 11, 2025

Central Council of the Tlingit and Haida Indian Tribes of Alaska
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☒ Yes ☐ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☒ Yes ☐ None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☒ Yes ☐ No

Identification of Major Federal Programs

<i>AL Number</i>	<i>Name of Federal Program or Cluster</i>
11.029	Tribal Broadband Connectivity Program
15.U01	477 Cluster and COVID-19 477 Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
93.600	Head Start Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$ 2,646,097

- Auditee qualified as low-risk auditee?

☐ Yes ☒ No

State Financial Assistance

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

Unmodified

Internal control over major state programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Dollar threshold used to distinguish between type A and type B state programs:

\$ 750,000

Central Council of the Tlingit and Haida Indian Tribes of Alaska
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

II. Financial Statements Findings

Finding 2024-001 – Preparation of the Schedule of Expenditures of Federal Awards and Internal Controls over Financial Close and Reporting – Significant Deficiency

Criteria – Uniform Guidance (2 CFR 200) Section 200.510 requires an auditee to “prepare a schedule of expenditures of Federal awards (SEFA) for the period covered by the auditee’s financial statements [that]....at a minimum shall...list individual Federal programs by Federal agency... [and] provide total Federal awards expended for each individual Federal program and the ALN number or other identifying number when the ALN information is not available.”

Additionally, in accordance with Uniform Guidance, Central Council is required to maintain a structure of internal control to ensure compliance with applicable reporting requirements. In order to produce timely and accurate financial reports and reduce the possibility of fraud, the general ledger accounts should be reconciled each month through an effective financial close and reporting process.

Condition – Central Council did not have sufficient controls and procedures to ensure the SEFA accurately reflected each award’s federal expenses. There were significant adjustments made to the SEFA and to several financial statement accounts during the audit process. We noted several of the financial statement accounts were not reconciled during the year ended December 31, 2024, resulting in multiple adjusting journal entries and changes to the trial balance and general ledger reports.

Cause – We understand the Central Council has been re-evaluating its financial processes, and the change management process has impacted the timeliness over monthly account reconciliations and the annual financial closing process.

Effect – Central Council was not able to produce an accurate SEFA, which required additional effort and resources by Central Council and auditors during the audit process. Further, the lack of reconciliations during the year resulted in delays in providing the required information for the audit. Ultimately, this process created inefficiencies and required the use of costlier resources to complete the audit.

Recommendation – We understand the Central Council has been re-evaluating its financial processes, and recommend management streamline their monthly account reconciliations and SEFA preparation process to ensure compliance with requirements outlined in the Uniform Guidance and the OMB Compliance Supplement. We also recommend management implement a supervisory review process over monthly and annual account reconciliations to ensure key general ledger accounts are monitored and reconciled in a timely manner.

Views of responsible officials – Tlingit & Haida’s Action Plan is:

- 1) **Automate and Streamline Processes:** Develop automated SEFA reports in Sage Intacct and simplify reconciliations to eliminate inefficiencies and ensure compliance.
- 2) **Supervisory Review:** Implement formal review processes with standardized procedures to verify SEFA accuracy, compliance, and key account reconciliations.
- 3) **Training and Communication:** Provide targeted training on automated SEFA preparation and updated processes, emphasizing compliance and maintaining clear communication.
- 4) **Accountability Measures:** Assign responsibilities, track progress, document tasks, enforce deadlines, and address non-compliance effectively.

Central Council of the Tlingit and Haida Indian Tribes of Alaska
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

- 5) **Utilize Tools for Efficiency:** Leverage FloQast and Sage Intacct for tracking reconciliations and SEFA preparation while ensuring proficiency and resolving discrepancies.

III. Federal Awards Findings and Questioned Costs

Finding 2024-002 – Allowable Costs – Significant Deficiency in Internal Controls over Compliance

<i>AL Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Award Year</i>
15.U01	477 Cluster and COVID-19 477 Cluster	2024
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	2024
93.600	Head Start Cluster	2024

Criteria – Federally funded entities must establish internal control procedures over compliance with provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), that require, among other things, direct charges to federal awards be for allowable costs. Allowable costs charged to federal programs must be supported by appropriate documentation and internal controls should include evidence of review.

Condition and Context – During our testing of payroll transactions for internal controls over allowable costs compliance requirements, we noted the following:

- ALN 15.U01 477 Cluster – Out of 14 samples randomly selected and tested, 2 samples did not have timesheets or evidence of approval for the hours charged to program.
- ALN 93.600 Head Start Cluster – Out of 17 samples randomly selected and tested, 6 samples did not have timesheets or evidence of approval for the hours charged to program.
- ALN 21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds – Out of 12 samples randomly selected and tested, 1 sample did not have a timesheet or evidence of approval for the hours charged to program.

Cause – In early 2024, the Central Council switched its payroll system from Paychex to ProLiant. After their Paychex account was permanently closed, the Central Council was unable to access the timesheets from early 2024 and was unable to obtain supporting documentation evidencing approval of the hours in Paychex.

Effect – The Central Council was unable to produce documentation showing the timesheet hours charged to the programs were properly approved to support their internal controls over payroll.

Questioned Costs – This is only an internal control over compliance finding, therefore, no questioned costs are identified or reported.

Repeat Finding – This is not a repeat finding.

Central Council of the Tlingit and Haida Indian Tribes of Alaska
Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Recommendation – We understand the lack of evidence of timesheet approval was due to the change in payroll software. Going forward, we recommend Central Council retain the rights of the documents or download the required information before closing out a previously used software to ensure all of their documentation is properly maintained and retained.

Views of responsible officials – Tlingit & Haida's Action Plan is

- 1) **Recover Documentation:** Summarize efforts to retrieve Paychex records and explore alternative sources for missing timesheets and approvals.
- 2) **Strengthen Payroll Procedures:** Develop protocols for payroll system transitions, ensuring archived records are complete and accessible.
- 3) **Enhance Contracts:** Update current and future payroll system contracts to mandate secure data archival and recovery for at least 3 years.
- 4) **Train Staff:** Train personnel on updated procedures, emphasizing record preservation and effective use of ProLiant.
- 5) **Improve Oversight:** Establish oversight teams, conduct periodic internal audits, and refine controls based on audit findings.

IV. State Awards Findings and Questioned Costs

None reported.

Central Council of the Tlingit and Haida Indian Tribes of Alaska

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Grant Number	Federal ALN Number	Pass-Through to Sub-recipients	Total Federal Expenditures
U.S. Department of Agriculture				
Local Food Purchase Assistance	AM22LFPA0000C048	10.182	\$ -	\$ 1,075,992
<i>Passed through from State of Alaska Department of Education and Early Development</i>				
Early Development				
Child and Adult Care Food Program SOA FY2023	29001	10.558	-	231,991
Child and Adult Care Food Program SOA FY2024	29001	10.558	-	125,925
<i>Subtotal ALN 10.558</i>				<u>357,916</u>
Indigenous Guardians Program	20-CS-11100100-011	10.678	-	44,733
Indigenous Guardians Program/Climate Change	22-PA-11100100-009	10.678	322,000	638,437
Alaska Youth Stewards Sustainability Strategy	22-PA-11100500-051	10.678	152,302	226,135
Alaska Youth Stewards II Reforestation	23-PA-11100500-032	10.678	182,359	249,820
Mendenhall Glacier Rec Co-Stewardship (MGRA) SASS	22-PA-11100500-067	10.678	-	232,259
Cultural Ambassador USFS SPA	24-PA-11100500-040	10.678	-	192,719
<i>Subtotal ALN 10.678</i>				<u>1,584,103</u>
Wildland Fire Program	22-DG-11100106-819	10.698	-	119,445
Rural Development Cooperative Agreement	RD-AK-COOP-22-01	10.890	250,000	465,816
Compost Food Waste Reduction Pilot Project	NR233A750005C046	10.935	-	119,951
Total U.S. Department of Agriculture				<u>3,723,223</u>
U.S. Department of Commerce				
SE AK Tribal CEDS	ED23SEA3030026	11.303	-	95,540
Tribal Broadband Connectivity Program	NT23TBC0290020	11.029	-	5,389,186
Total U.S. Department of Commerce				<u>5,484,726</u>
U.S. Department of the Interior				
Tribal Self-Governance Compact Agreement 2023 Transfer	n/a	15.022	-	(3,600,339)
Tribal Self-Governance Compact Agreement CY 2024	n/a	15.022	90,659	10,061,705
<i>Subtotal ALN 15.022</i>				<u>6,461,366</u>
477 Cluster				
COVID-19 477 Cluster Plan COVID	n/a	15.U01	-	3,012,353
477 Cluster Plan Year 2022 - 2023 Transfer	n/a	15.U01	-	(2,706,079)
477 Cluster Plan Year 2022 - CY2024 Activity	n/a	15.U01	-	8,499,494
<i>Subtotal ALN 15.U01 and 477 Cluster</i>				<u>8,805,768</u>
Xaad Kil Reawakening Living Languages LLGP	A24AP00043-00	15.032	-	226,662
Invasive Species on Native Allotments	F23AP00227-00	15.639	-	81,795
Landslide Monitoring - USGA	G23AC00575-00	15.808	-	102,783
GROW-OFF Orchard Food Forest	24-DG-11100106-804	15.808	-	2,774
<i>Subtotal ALN 15.808</i>				<u>105,557</u>
NAGPRA Museums Hood Rhode Island & Us	P22AP00900-00	15.922	-	31,031
NAGPRA Hearst and Penn Museums	P23AP01783-00	15.922	-	78,400
NAGPRA MN Museum	P23AP01734-00	15.922	-	14,677
NAGPRA Oakland Museum of CA	P23AP01735-00	15.922	-	14,677
NAGPRA Hudson Museum Univ of Maine	P23AP01736-00	15.922	-	11,044
<i>Subtotal ALN 15.922</i>				<u>149,829</u>
Total U.S. Department of the Interior				<u>15,830,977</u>
U.S. Department of Justice				
Crime Victim Assistance	15POVC-22-GG-01124-CJAX	16.582	-	3,112
Healing to Wellness	15PJDP-21-GG-03827-DGCT	16.585	-	117,914
CTAS Reentry & Recovery	15PBJA-24-GG-03159-TRIB	16.596	-	53,337
Tribal Court Officers	15PBJA-22-GG-02035-TRIB	16.596	-	241,650
Tribal Court Expansion	2020-S4-BX-0005	16.596	-	1,208,431
TAP Coordinator	15PBJA-23-GG-05408-TRIB	16.596	-	164,776
<i>Subtotal ALN 16.596</i>				<u>1,668,194</u>
COPS Equipment & Training	15JCOPS-23-GG-02078-INDI	16.710	-	104,566
COPS Equipment & Training #2	15JCOPS-24-GG-02042-INDI	16.710	-	47
<i>Subtotal ALN 16.710</i>				<u>104,613</u>
Wayfinders CTAS Youth Engagement	15PJDP-24-GG-01089-TRIB	16.731	-	11,816
Comprehensive Opioid Site Based Program	2020-AR-BX-0115	16.838	-	30,857

See notes to schedule of expenditures of federal awards.

Central Council of the Tlingit and Haida Indian Tribes of Alaska

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Grant Number	Federal ALN Number	Pass-Through to Sub-recipients	Total Federal Expenditures
Victims Services Set-Aside Pgm	15POVC-21-GG-00934-TVAG	16.841	-	498,288
Womens Healing Retreat Victims Set-Aside	15POVC-22-GG-01249-TVAG	16.841	-	82,274
CAP New Program Improvement Victims Set-Aside	15POVC-23-GG-01157-TVAG	16.841	-	63,119
Child VRI Victim Recovery	2019-VO-GX-0090	16.841	-	109,609
Victims of Crime Recovery	2020-VO-GX-0032	16.841	-	1,262,913
<i>Subtotal ALN 16.841</i>				<u>2,016,203</u>
Total U.S. Department of Justice				<u>3,952,709</u>
U.S. Department of Labor				
Occupational Safety & Health Training Susan Harwood	24F60SH000166-01-00	17.502	-	4,076
Total U.S. Department of Labor				<u>4,076</u>
U.S. Department of Transportation				
Indian Reservation Roads Planning and Construction Fed FY2024	693JG42430000V600AK0021	20.205	-	382,820
Indian Reservation Roads Planning and Construction Fed FY2025	693JG42430000V600AK0021	20.205	-	215,735
<i>Subtotal ALN 20.205</i>				<u>598,555</u>
Total U.S. Department of Transportation				<u>598,555</u>
U.S. Department of the Treasury				
COVID-19 Local Assistance and Tribal Consistency Fund	N/A	21.032	-	13,499
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	172,830	46,737,813
Total U.S. Department of the Treasury				<u>46,751,312</u>
Institute of Museum and Library Services				
IMLS Gateway Grant Lynnwood Library	NAB-250373-OLS-21	45.311	-	5,494
IMLS	NAE-246642-OLS-20	45.311	-	51,558
IMLS Native American Museum Services Program	MN-253472-OMS-23	45.311	-	34,604
IMLS Enhancement Grant	NEA-256763-OLS-24	45.311	-	4,037
<i>Subtotal ALN 45.311</i>				<u>95,693</u>
Total Institute of Museum and Library Services				<u>95,693</u>
National Science Foundation				
<i>Research and Development Cluster</i>				
<i>Passed through from Sitka Science Center</i>				
National Science Foundation	2052972	47.050	-	203,525
National Science Foundation	NSF2327026	47.050	-	4,858
<i>Subtotal ALN 47.050 and Research and Development Cluster</i>				<u>208,383</u>
Total National Science Foundation				<u>208,383</u>
U.S. Environmental Protection Agency				
SWIFR	AZ-02J59501-0	66.920	-	69,118
Response Program	RP-00J26214-0	66.817	-	64,928
Response Program	4W-00J26215-0	66.817	-	30,514
<i>Subtotal ALN 66.817</i>				<u>95,442</u>
EPA Environmental General Assistance GAP Year 1 of 4	GA-02J74301-0	66.926	-	30,400
EPA Indian Environmental General Assistance	01J75101	66.926	-	93,530
<i>Subtotal ALN 66.926</i>				<u>123,930</u>
Total U.S. Environmental Protection Agency				<u>288,490</u>
U.S. Department of Education				
<i>Passed through from Alaska Association of School Boards</i>				
Promise Neighborhoods				
Supporting Transitions and Educational Promise Southeast Alaska	U215N170038	84.215	60,000	562,422
Full Service AASB Year 1 of 4	S215J220051	84.215	-	185,482
<i>Subtotal ALN 84.215N</i>				<u>747,904</u>
Central Council Tlingit & Haida Indian Tribes of Alaska				
Tribal Vocational Rehabilitation Project Fed FY2024	H250N210048-23	84.250N	-	367,999
Tribal Vocational Rehabilitation Project Fed FY2025	H250N210048-24	84.250N	-	242,527
<i>Subtotal ALN 84.250N</i>				<u>610,526</u>

See notes to schedule of expenditures of federal awards.

Central Council of the Tlingit and Haida Indian Tribes of Alaska
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Grant Number	Federal ALN Number	Pass-Through to Sub-recipients	Total Federal Expenditures
REWARD	S356A210035	84.356A	-	698,140
Kei Naltseen Haa Sgooni Our School Is Being Strengthened	S356A220058	84.356A	-	1,698,833
<i>Subtotal ALN 84.356A</i>				<u>2,396,973</u>
STEC Educational Compact Grant	CO 24.067.01	84.425U	-	12,257
Total U.S. Department of Education				<u>3,767,660</u>
U.S. Department of Health and Human Services				
Grants for Native Americans - Elderly Nutrition Title VI	2004AKOATA-03	93.047	-	50,519
Grants for Native Americans - Elderly Nutrition Title VI Supplemental	2304AKOATA-00	93.047	-	110,641
COVID-19 CARES Act for Nutrition Services for Native American Programs	2104AKNAC6	93.047	-	(26,550)
COVID-19 Public Health Workforce	2204AKTRPH	93.047	-	87,937
<i>Subtotal ALN 93.047</i>				<u>222,547</u>
Aging Cluster - Nutrition Services Incentive Program	2304AKOANT-00	93.053	-	4,485
Elder Caregiver	2104AKTCC6	93.054	-	48,420
Elder Caregiver	2004AKOATC-02	93.054	-	68,275
Elder Caregiver	2304AKOATC-00	93.054	-	4,974
<i>Subtotal ALN 93.054</i>				<u>121,669</u>
Preserving Native Families Partnership Initiative	90FN0038-05-00	93.086	-	39,048
Preserving Native Families Partnership Initiative	90FN0038-04-00	93.086	-	92,049
<i>Subtotal ALN 93.086</i>				<u>131,097</u>
Substance Abuse Native Connections Phase II	1H79SM084149	93.243	-	253,313
SAMHSA 988 Tribal Response	1H79FG001277-01	93.243	-	1,025,612
First Responders-Comprehensive Addiction & Recovery Opioid Overdose Response	H79TI082536	93.243	-	274,088
<i>Subtotal ALN 93.243</i>				<u>1,553,013</u>
Promoting Safe and Stable Families	23PFAKFPSS	93.556	-	84,942
COVID-19 Promoting Safe and Stable Families CARES Act	24PFAKFPSS	93.556	-	37,433
<i>Subtotal ALN 93.556</i>				<u>122,375</u>
Child Support Enforcement:				
Tribal Child Support Enforcement Comprehensive Grants FY2024	KPG0016TCSS-01-00	93.563	-	897,648
Tribal Child Support Enforcement Comprehensive Grants FY2025	KPG0065TCSS-01-00	93.563	-	309,202
<i>Subtotal ALN 93.563</i>				<u>1,206,850</u>
Haa Yatx i Ee Dultoow Sgoon Jishagooni	90NB0046	93.587	-	152,118
Head Start Cluster	90CI009960-07-00	93.600	-	3,258,358
Child Welfare Social Service	23PFAKCWSS	93.645	-	47,647
Child Welfare Social Service	24PFAKCWSS	93.645	-	49,063
<i>Subtotal ALN 93.645</i>				<u>96,710</u>
Tribal MIECHV	90TH006301	93.872	-	187,138
Tribal MIECHV	90TH0063-02	93.872	-	71,320
<i>Subtotal ALN 93.872</i>				<u>258,458</u>
COVID-19 ARPA Family Violence Prevention and Services	21PFAKFVC6	93.671	-	33,826
Total U.S. Department of Health and Human Services			-	<u>7,161,506</u>
U.S. Department of Homeland Security				
Tribal Homeland Security Program	EMW-2023-SS-00134	97.067	-	335,934
Total U.S. Department of Homeland Security				<u>335,934</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,230,150	\$ 88,203,244

See notes to schedule of expenditures of federal awards.

Central Council of the Tlingit and Haida Indian Tribes of Alaska
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Note 1 – Basis of Presentation and Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (the SEFA) includes the federal grant activity of the Central Council of the Tlingit and Haida Indian Tribes of Alaska (the Central Council) for the year ended December 31, 2024. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the Central Council, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Central Council.

Expenditures reported in the accompanying SEFA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, or other guidelines as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Note 2 – Indirect Cost Rate

The Central Council did not elect to use the 10% de minimis cost rate.

Note 3 – Reconciliation of the Financial Statements to the Schedule of Expenditures of Federal Awards

Grant Fund expenditures reported in the statement of revenues, expenditures and changes in fund balances—governmental funds	
Grants Fund expenditures	\$ 98,745,763
Less	
Expenditures funded by State of Alaska grant assistance	(6,548,294)
Expenditures funded by other sources, which are not federal funds	(2,421,660)
Expenditures funded by non-grant assistance	(36,454)
Expenditures funded by General Fund, indirect subsidy	<u>(1,536,111)</u>
Total federal award expenditures	<u><u>\$ 88,203,244</u></u>

Note 4 – USDA Loans

The Central Council has two loans from the U.S. Department of Agriculture that have a combined outstanding balance of \$109,680 at December 31, 2024, and as there are no significant continuing compliance requirements, they are excluded from the SEFA.

Central Council of the Tlingit and Haida Indian Tribes of Alaska
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Note 5 – 477 Cluster

The following federal programs are part of the Central Council's 477 Plan and make up the expenditures in the 477 Cluster programs, which are reported in the SEFA under ALN 15.U01:

Department of the Interior, Bureau of Indian Affairs – Job Placement and Training, and General Assistance (ALN 15.113)

Department of Labor – WIOA Adult and Youth

Department of Health and Human Services – Temporary Assistance to Needy Families TANF (ALN 93.558), Native Employment Works (NEW) (ALN 93.594) Child Care Development Fund CCDF (ALN 93.596), and Community Service Block Grant (CSBG) (ALN 93.569)

Department of Education – Tribal Vocational Rehabilitation

**Report of Independent Auditors on Compliance for Each Major State Program
and Report on Internal Control over Compliance 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

Opinion on Each Major State Program

We have audited the Central Council of the Tlingit and Haida Indian Tribes of Alaska's (the Council or the Central Council) compliance with the types of compliance requirements identified as subject to audit 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, 2024. The Central Council's major state programs are identified in the accompanying schedule of state financial assistance.

In our opinion, the Central Council complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Our responsibilities under those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Central Council 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 state program. Our audit does not provide a legal determination of the Central Council'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 the Central Council's state 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 the Central Council'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 GAAS, *Government Auditing Standards*, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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 the Central Council's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, 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 the Central Council'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 the Central Council'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 *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 the Central Council'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 state 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 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 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 *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Bellingham, Washington

April 11, 2025

Central Council of the Tlingit and Haida Indian Tribes of Alaska
Schedule of State Financial Assistance
Year Ended December 31, 2024

State Agency/Program Title	Grant Number	Total Expenditures
DEPARTMENT OF HEALTH AND SOCIAL SERVICES		
Native Family Assistance Program SOA FY2024	164-266-24002	\$ 1,452,261
Native Family Assistance Program SOA FY2025	164-266-25003	<u>1,263,968</u>
		<u>2,716,229</u>
Total Department of Health and Social Services		<u>2,716,229</u>
DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT		
Headstart SOA FY2024	* HS 23.067.01	585,163
Headstart SOA FY2025	* HS 23.067.01	<u>817,946</u>
		<u>1,403,109</u>
Technical Vocational Education Program FY2025	TVEP25	<u>213,172</u>
Total Department of Education and Early Development		<u>1,616,281</u>
DEPARTMENT OF PUBLIC SAFETY		
Village Public Safety Officer Program SOA FY2024	* VPSO 24-403	1,023,486
Village Public Safety Officer Program SOA FY2025	* VPSO 25-403	<u>1,192,298</u>
Total Department of Public Safety		<u>2,215,784</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u><u>\$ 6,548,294</u></u>

* Major State Program

Central Council of the Tlingit and Haida Indian Tribes of Alaska
Note to Schedule of State Financial Assistance
Year Ended December 31, 2024

Note 1 – Basis of Presentation and Summary of Significant Accounting Policies

The accompanying schedule of state financial assistance includes the state financial assistance of the Central Council of the Tlingit and Haida Indian Tribes of Alaska for the year ended December 31, 2024. The information in the schedule of state financial assistance is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. The expenditures reported in the accompanying schedule of state financial assistance are reported on the modified accrual basis of accounting. Because the schedule of state financial assistance presents only a selected portion of the operations of the Central Council, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the Central Council.



Central Council of the Tlingit & Haida Indian Tribes of Alaska

Finance Department

Physical Address: 9097 Glacier Highway • Juneau, Alaska

Mailing Address: PO Box 25500 • Juneau, Alaska 99802

April 11, 2025

Moss Adams

Corrective Action Plan

Finding Number: 2024-001

Finding Title: Preparation of the Schedule of Expenditures of Federal Awards and Internal Controls over Financial Close and Reporting – Significant Deficiency

1. **Automate and Streamline Processes:** Develop automated SEFA reports in Sage Intacct and simplify reconciliations to eliminate inefficiencies and ensure compliance.
2. **Supervisory Review:** Implement formal review processes with standardized procedures to verify SEFA accuracy, compliance, and key account reconciliations.
3. **Training and Communication:** Provide targeted training on automated SEFA preparation and updated processes, emphasizing compliance and maintaining clear communication.
4. **Accountability Measures:** Assign responsibilities, track progress, document tasks, enforce deadlines, and address non-compliance effectively.
5. **Utilize Tools for Efficiency:** Leverage FloQast and Sage Intacct for tracking reconciliations and SEFA preparation while ensuring proficiency and resolving discrepancies.

Person(s) Responsible for Corrective Action:

Charlene Robertson, Chief Financial Officer
Pauline Smith, Finance Controller
Aliesha Richards, Grants & Restricted Revenue Manager
9097 Glacier Highway
Juneau, Alaska 99801

Estimated Completion Date: December 2025

Finding Number: 2024-002

Finding Title: Addressing Significant Deficiency in Internal Controls over Allowable Costs Compliance – Significant Deficiency

1. **Recover Documentation:** Summarize efforts to retrieve Paychex records and explore alternative sources for missing timesheets and approvals.
2. **Strengthen Payroll Procedures:** Develop protocols for payroll system transitions, ensuring archived records are complete and accessible.
3. **Enhance Contracts:** Update current and future payroll system contracts to mandate secure data archival and recovery for at least 3 years.
4. **Train Staff:** Train personnel on updated procedures, emphasizing record preservation and effective use of ProLiant.

5. **Improve Oversight:** Establish oversight teams, conduct periodic internal audits, and refine controls based on audit findings.

By adhering to this corrective action plan, Tlingit & Haida aims to resolve audit findings concerning the preparation of the Schedule of Expenditures of Federal Awards, internal controls over financial close and reporting, and record retention when transitioning to new accounting systems. This approach is designed to mitigate risks, enhance compliance, and bolster the organization's financial management practices for sustained improvement

Person(s) Responsible for Corrective Action:

Charlene Robertson, Chief Financial Officer
Pauline Smith, Finance Controller
Aliesha Richards, Grants & Restricted Revenue Manager
9097 Glacier Highway
Juneau, Alaska 99801

Estimated Completion Date: December 2025



Central Council of the Tlingit & Haida Indian Tribes of Alaska

Finance Department

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Mailing Address: PO Box 25500 • Juneau, Alaska 99802

April 11, 2025

Moss Adams

Summary Schedule of Prior Audit Findings

Finding Number: 2023-001

Finding Title: Preparation of the Schedule of Expenditures of Federal Awards and Internal Controls over Financial Close and Reporting – Material Weakness

Person(s) Responsible for Summary Schedule of Prior Audit Findings:

Charlene Robertson, Chief Financial Officer
Pauline Smith, Finance Controller
Aliesha Richards, Grants & Restricted Revenue Manager
9097 Glacier Highway
Juneau, Alaska 99801

Status Response

2023 Tlingit & Haida's Summary Schedule of Prior Audit Findings

1. Thoroughly document all necessary steps for the preparation of SEFA.
 - Procedural documentation to create the SEFA report was completed on 2/15/2024.
2. Train additional staff in the preparation of SEFA to expand knowledge base.
 - SEFA report training was completed on 8/5/2024.
3. Create a procedure to document the steps involved when a capital asset is purchased by a grant.
 - Procedural document was created on 9/17/2024.
4. Implement month-end close process to include training and development of existing team members and utilization of tools like FloQast; ensuring deadlines and accountability.
 - Implementation of month end close process and utilization of FloQast was completed on January 2024.
 - Training and developing the team for month end close was completed and weekly check-ins with team leaders established early in 2024.
5. Build a well-rounded finance team through training current staff, assigning appropriate tasks to encourage growth, and holding the team accountable for deadlines.
 - Training for the finance team remains on-going.

