

Federal Compliance Audit
and Other Financial Information

Pleasant Point Passamaquoddy Tribal
Council

December 31, 2015



Proven Expertise and Integrity

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

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DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

Tribal Council
Pleasant Point Passamaquoddy Tribal Council
Perry, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pleasant Point Passamaquoddy Tribal Council as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit

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procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Pleasant Point Passamaquoddy Tribal Council as of December 31, 2015, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 10 and page 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pleasant Point Passamaquoddy Tribal Council's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost*

Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2016, on our consideration of Pleasant Point Passamaquoddy Tribal Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pleasant Point Passamaquoddy Tribal Council's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
October 21, 2016

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

(UNAUDITED)

The following management's discussion and analysis of Pleasant Point Passamaquoddy Tribal Council's (Council) financial performance provides an overview of the Council's financial activities for the fiscal year ended December 31, 2015. Please read it in conjunction with the Council's financial statements.

Financial Statement Overview

The Council's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Council's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Council's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position – this statement presents *all* of the government's assets and liabilities with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have been presented for the Council for the following activities:

- *Governmental activities* – The activities in this section are mostly supported by intergovernmental revenues (federal and state grants) and other revenues. All of the Council's basic services are reported in governmental activities, which include general government, public safety, public works, education, welfare, environmental and other unclassified.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Council, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Council can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds: All of the basic services provided by the Council are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Council's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Council.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Council presents five columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Council's major governmental funds are the general fund, BIA, Indian Health Services, and Health Services Third Party. All other funds are shown as nonmajor and are combined in the "Nonmajor Funds" column on these statements.

The general fund is the only fund for which the Council adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Council. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Council's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting. The Council shows its Census money in these fiduciary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Fiduciary Fund Financial Statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to major funds, nonmajor funds, and capital asset activity for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position, and changes in net position of the Council's governmental and business-type activities. The Council's total net position for governmental activities decreased by \$2,249,509 from \$25.95 million to \$23.70 million.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased for governmental activities to a balance of \$1,233,424 at the end of this year.

Table 1
Pleasant Point Passamaquoddy Tribal Council
Net Position
December 31,

	<u>2015</u>	<u>2014</u>
Assets		
Current and Other Assets	\$ 4,482,947	\$ 6,156,693
Capital Assets	19,325,120	20,104,822
Total Assets	<u>23,808,067</u>	<u>26,261,515</u>
Liabilities		
Current Liabilities	37,082	130,437
Long-term Debt Outstanding	70,048	63,801
Total Liabilities	<u>107,130</u>	<u>194,238</u>
Net Position		
Net Investment in Capital Assets	19,325,120	20,104,822
Restricted: Special Revenue	3,085,338	3,692,377
Capital Projects	57,055	135,220
Unrestricted	1,233,424	2,018,027
Total Net Position	<u>\$ 23,700,937</u>	<u>\$ 25,950,446</u>

Revenues and Expenses

Although the overall revenues were consistent, the charges for services and other revenue categories were significantly different from 2014 to 2015. In 2015, the charges for services were significantly increased due to increased revenue from Mainecare, Medicaid and other third party revenues. The other income was significantly decreased due to payments from Passamaquoddy Wild and other reimbursements.

The expenses were increased by \$2.4 million which was due mostly to General Tribal Operations and Health Services with minor increases in other expenses.

Table 2
Pleasant Point Passamaquoddy Tribal Council
Changes in Net Position
For the Year Ended December 31,

	<u>2015</u>	<u>2014</u>
Revenues		
<i>Program revenues:</i>		
Charges for services	\$ 1,946,189	\$ 1,609,896
Operating grants and contributions	8,861,128	8,367,596
<i>General revenues:</i>		
Other intergovernmental	3,374	18,279
Investment income	19,340	2,465
Excise taxes	65,574	61,554
Other revenue	1,001,384	1,311,349
Total Revenues	<u>11,896,989</u>	<u>11,371,139</u>
Expenses		
General tribal operations	3,594,923	2,287,493
Health services	6,094,182	4,863,396
BIA programs	2,537,149	2,611,353
Public safety programs	2,480	9,921
Environmental programs	728,663	720,817
Other general programs	998,654	1,024,507
Capital projects	8,424	121,372
Unallocated depreciation (Note 4)	182,023	108,971
Total Expenses	<u>14,146,498</u>	<u>11,747,830</u>
Change in Net Position	(2,249,509)	(376,691)
Net Position - January 1	<u>25,950,446</u>	<u>26,327,137</u>
Net Position - December 31	<u>\$ 23,700,937</u>	<u>\$ 25,950,446</u>

Financial Analysis of the Council's Fund Statements

Governmental funds: The financial reporting focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Council's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year, and the net resources available for spending.

Table 3
Pleasant Point Passamaquoddy Tribal Council
Fund Balances - Governmental Funds
December 31,

	<u>2015</u>	<u>2014</u>
General Fund:		
Unassigned	\$ 1,130,713	\$ 2,238,475
Total General Fund	<u>\$ 1,130,713</u>	<u>\$ 2,238,475</u>
Other Major Funds:		
BIA		
Restricted	\$ 499,490	\$ 185,066
Indian Health Services		
Restricted	396,183	1,231,499
Health Services Third Party	1,665,896	1,783,892
Total Major Funds	<u>\$ 2,561,569</u>	<u>\$ 3,200,457</u>
Other Nonmajor Funds:		
Special Revenue		
Restricted	\$ 523,769	\$ 432,946
Unassigned	(80,655)	(96,055)
Capital Projects		
Restricted	57,055	135,220
Unassigned	(7,824)	(1,618)
Total Nonmajor Funds	<u>\$ 492,345</u>	<u>\$ 470,493</u>

The general fund total fund balance decreased by \$1,107,762 over the prior fiscal year. BIA increased by \$314,424, Indian Health Services decreased by \$574,078 not including transfers, and Health Services Third Party decreased \$117,996 not including transfers. The non-major fund balances increased by \$21,852 from the prior fiscal year.

Budgetary Highlights

There was no difference between the original and final budget for the general fund. Most items of expenditures were consistent with the budget except for several that were over-drafted. Refer to Note 11 of Notes to Financial Statements for additional detail.

The general fund actual revenues were under budget by \$25,662. This was mostly result of Passamaquoddy Wild income and charges for services that were received under budget. The expenditures were over budget by \$349,511. This was due to all expenditures categories with the exception of contractual services, program assistance, rent, professional fees, wastewater, programs, bank/credit card fees and other expense, being over budget for the year.

Capital Asset and Debt Administration

Capital Assets

As of December 31, 2015, the net book value of capital assets recorded by the Council decreased by \$779,702 from the prior year. This decrease is the result of capital additions of \$318,645 less current year depreciation expense of \$1,098,347.

Table 4
Pleasant Point Passamaquoddy Tribal Council
Capital Assets (Net of Depreciation)
December 31,

	<u>2015</u>	<u>2014</u>
Land and improvements	\$ 270,263	\$ 286,040
Buildings and improvements	5,857,492	6,267,061
Machinery and equipment	953,091	990,859
Vehicles	721,228	540,788
Art works and historical treasures / CIP	55,341	55,341
Infrastructure	<u>11,467,705</u>	<u>11,964,733</u>
Total	<u>\$ 19,325,120</u>	<u>\$ 20,104,822</u>

Economic Factors and Next Year's Budgets and Rates

The Council's unassigned fund balance has maintained a level sufficient to sustain government operations for a period of at least three months (without regard to unbudgeted expenditures such as tribal distributions).

Requests for Information

This financial report is designed to provide our agencies, tribal members and others with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer or the Tribal Council at P.O. Box 343, Perry, Maine, 04667.

STATEMENT A

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

STATEMENT OF NET POSITION
DECEMBER 31, 2015

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,605,155
Investments	151,542
Accounts receivable (net of allowance for uncollectibles):	
Grants	77,252
Other	387,760
Inventory	261,238
Total current assets	<u>4,482,947</u>
Noncurrent assets:	
Capital assets	
Land, infrastructure, and other assets not being depreciated	190,341
Buildings and vehicles, net of accumulated depreciation	19,134,779
Total noncurrent assets	<u>19,325,120</u>
Total assets	<u><u>\$ 23,808,067</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 37,082
Total current liabilities	<u>37,082</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Accrued compensated absences	70,048
Total noncurrent liabilities	<u>70,048</u>
Total liabilities	<u>107,130</u>
NET POSITION	
Net investment in capital assets	19,325,120
Restricted: Special Revenue	3,085,338
Capital Projects	57,055
Unrestricted	1,233,424
Total net position	<u>23,700,937</u>
Total liabilities and net position	<u><u>\$ 23,808,067</u></u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities
Governmental activities:					
General tribal operations	\$ 3,594,923	\$ 309,742	\$ 38,749	\$ -	\$ (3,246,432)
Health services	6,094,182	1,636,447	4,270,030	-	(187,705)
BIA programs	2,537,149	-	2,631,219	-	94,070
Environmental programs	728,663	-	768,110	-	39,447
Public safety programs	2,480	-	-	-	(2,480)
Other general programs	998,654	-	1,082,840	-	84,186
Capital projects	8,424	-	-	70,180	61,756
Unallocated depreciation (Note 4)	182,023	-	-	-	(182,023)
Total governmental activities	<u>\$ 14,146,498</u>	<u>\$ 1,946,189</u>	<u>\$ 8,790,948</u>	<u>\$ 70,180</u>	<u>(3,339,181)</u>

STATEMENT B (CONTINUED)
PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Governmental Activities</u>
Changes In net position:	
Net (expense) revenue	(3,339,181)
General revenues:	
Intergovernmental	3,374
Passamaquoddy Wild	175,000
Investment income	19,340
Excise	65,574
Other	826,384
Total general revenues	<u>1,089,672</u>
Change in net position	(2,249,509)
Net position - January 1	<u>25,950,446</u>
Net position - December 31	<u><u>\$ 23,700,937</u></u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	General Fund	BIA	Indian Health Services	Health Services Third Party	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 3,605,155	\$ -	\$ -	\$ -	\$ -	\$ 3,605,155
Investments	151,542	-	-	-	-	151,542
Accounts receivable (net of allowance for uncollectibles):						
Grants	-	-	-	-	77,252	77,252
Other	66,098	2,092	3,595	315,975	-	387,760
Inventory	-	-	261,238	-	-	261,238
Due from other funds	165,731	497,398	392,588	1,349,921	580,824	2,986,462
Total assets	<u>\$ 3,988,526</u>	<u>\$ 499,490</u>	<u>\$ 657,421</u>	<u>\$ 1,665,896</u>	<u>\$ 658,076</u>	<u>\$ 7,469,409</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 37,082	\$ -	\$ -	\$ -	\$ -	\$ 37,082
Due to other funds	2,820,731	-	-	-	165,731	2,986,462
Total liabilities	<u>2,857,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,731</u>	<u>3,023,544</u>
FUND BALANCES						
Nonspendable	-	-	261,238	-	-	261,238
Restricted	-	499,490	396,183	1,665,896	580,824	3,142,393
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	1,130,713	-	-	-	(88,479)	1,042,234
Total fund balances	<u>1,130,713</u>	<u>499,490</u>	<u>657,421</u>	<u>1,665,896</u>	<u>492,345</u>	<u>4,445,865</u>
Total liabilities and fund balances	<u>\$ 3,988,526</u>	<u>\$ 499,490</u>	<u>\$ 657,421</u>	<u>\$ 1,665,896</u>	<u>\$ 658,076</u>	<u>\$ 7,469,409</u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

RECONCILIATION OF THE GOVERNMENTAL BALANCE SHEET TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 4,445,865
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation</p>	19,325,120
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:</p> <p style="padding-left: 20px;">Accrued compensated absences</p>	<u>(70,048)</u>
Net position of governmental activities	<u><u>\$ 23,700,937</u></u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Fund	BIA	Indian Health Services	Health Services Third Party	Nonmajor Funds	Total Governmental Funds
REVENUES						
State of Maine	\$ 38,749	\$ -	\$ -	\$ -	\$ -	\$ 38,749
Tero tax	3,374	-	-	-	-	3,374
Indirect income	1,007,387	-	-	-	-	1,007,387
Federal grants	-	2,631,219	3,665,380	-	2,447,223	8,743,822
State grants	-	-	-	-	78,557	78,557
Charges for services	309,742	-	-	1,636,447	-	1,946,189
Investment income, net	19,340	-	-	-	-	19,340
Excise taxes	65,574	-	-	-	-	65,574
Reimbursements	16,201	-	-	-	-	16,201
Passamaquoddy Wild	175,000	-	-	-	-	175,000
Other	741,753	-	-	-	68,430	810,183
Total revenues	<u>2,377,120</u>	<u>2,631,219</u>	<u>3,665,380</u>	<u>1,636,447</u>	<u>2,594,210</u>	<u>12,904,376</u>
EXPENDITURES						
Current:						
Salaries	1,398,888	914,984	1,759,041	211,031	528,051	4,811,995
Fringe Benefits	358,353	252,284	501,692	87,138	116,170	1,315,637
Travel	104,043	27,890	27,500	21,510	82,098	263,041
Real estate taxes	17,150	-	-	-	-	17,150
Insurance	101,912	48,126	10,036	4,538	2,675	167,287
Supplies / Postage	125,335	44,513	35,739	23,157	267,559	496,303
Medical supplies	-	-	519,992	149,160	-	669,152
Telephone / Utilities	127,349	46,620	68,102	19,257	-	261,328
Contractual services	180,551	67,070	3,235	670,467	503,500	1,424,823
Inpatient / Outpatient	-	-	803,161	289,197	-	1,092,358
Consulting	46,383	-	-	-	-	46,383
Program assistance	52,159	-	37,771	7,708	729,831	827,469
Equipment purchases	167,475	196,965	1,859	3,135	53,034	422,468
Equipment rental / maintenance	44,904	42,263	-	7,626	-	94,793
Elected officials	2,717	-	-	-	-	2,717
Rent	4,090	8,448	8,875	1,073	-	22,486
Vehicle costs	22,428	34,079	-	-	-	56,507
Training / education	8,377	4,445	-	-	7,298	20,120
Professional fees	91,500	38,992	4,605	-	-	135,097
Legal fees	226,252	-	-	-	-	226,252
Wastewater	194,487	-	-	-	-	194,487
Programs	88,663	292,657	-	-	-	381,320
Bank / credit card fees	5,187	-	-	-	-	5,187
Repairs and maintenance	97,977	-	38,254	-	-	136,231
Indirect expenses	-	282,607	375,814	215,923	126,857	1,001,201
Other expense	148,763	14,852	43,782	43,523	25,224	276,144
Total expenditures	<u>3,614,943</u>	<u>2,316,795</u>	<u>4,239,458</u>	<u>1,754,443</u>	<u>2,442,297</u>	<u>14,367,936</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,237,823)</u>	<u>314,424</u>	<u>(574,078)</u>	<u>(117,996)</u>	<u>151,913</u>	<u>(1,463,560)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	146,127	-	-	-	16,377	162,504
Transfers (out)	(16,066)	-	-	-	(146,438)	(162,504)
Total other financing sources (uses)	<u>130,061</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(130,061)</u>	<u>-</u>
Net changes in fund balances	(1,107,762)	314,424	(574,078)	(117,996)	21,852	(1,463,560)
FUND BALANCES - JANUARY 1	<u>2,238,475</u>	<u>185,066</u>	<u>1,231,499</u>	<u>1,783,892</u>	<u>470,493</u>	<u>5,909,425</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,130,713</u>	<u>\$ 499,490</u>	<u>\$ 657,421</u>	<u>\$ 1,665,896</u>	<u>\$ 492,345</u>	<u>\$ 4,445,865</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT F

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (1,463,560)</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental report depreciation expense to allocate those expenditures over the life of the assets	
Capital asset purchases	318,645
Capital asset disposals	-
Depreciation expense	<u>(1,098,347)</u>
	<u>(779,702)</u>
Debt proceeds provide current financial resources to governmental funds, but issuing long-term liabilities in the Statement of Net Position	
	<u>-</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, reduces long-term liabilities in the Statement of Net Position	
	<u>-</u>
Some expenses reported in the Statement of Activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>(6,247)</u>
	<u>(6,247)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ (2,249,509)</u></u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2015

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 161,804
Accounts receivable (net of allowance for uncollectibles)	-
Other	-
	<u> </u>
Total assets	<u><u>\$ 161,804</u></u>
LIABILITIES	
Deposits held for others	<u>\$ 161,804</u>
Total liabilities	<u><u>\$ 161,804</u></u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Pleasant Point Passamaquoddy Tribal Council (Council) is a governmental entity that is a federal and state recognized Indian Tribe. Pleasant Point Tribal Council has a Council as its governing body and provides the following services: general tribal operations, public safety, public works, BIA programs, health services, environmental services, welfare, and other general programs.

The Council's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Council's combined financial statements include all accounts and all operations of the Council. We have determined that the Council has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and 61.

Government-Wide and Fund Financial Statements

The Council's basic financial statements include both government-wide (reporting the Council as a whole) and fund financial statements (reporting the Council's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Council's has no funds that are categorized as business-type activities. All activities of the Council are categorized as governmental.

In the government-wide Statement of Net Position, the governmental activities columns are (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position are reported in three parts – net investment in capital assets, restricted net position; and unrestricted net position. The Council first utilizes restricted resources to finance qualifying activities.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Council's functions (general government, public safety, etc.). The functions are also supported by general government revenues (excise taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the inter-fund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Council does allocate indirect costs. All direct costs are charged directly to the corresponding department, and indirect cost is allocated based on an approved rate and also on individual grant restrictions.

The government-wide focus is more on the sustainability of the Council as an entity and the change in the Council's net position resulting from the current year's activities.

Measurement Focus - Basic Financial Statements & Fund Financial Statements

The financial transactions of the Council are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Council:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Council:

- a. The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Council programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The Council's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements. The Council presents its Census money in its fiduciary funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories (if applicable). Non-major funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Council's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the prior fiscal year the Council prepared a budget for the fiscal year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings on the budget were held.
3. The proposed budget was then approved by a majority of the Tribal Council.

Deposits and Investments

The Council's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Council's policy to value investments at fair value. None of the Council's investments are reported at amortized cost. The Council is authorized to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

The Council has no formal investment policy but instead follows the State of Maine Statutes.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet. Inventory is not tracked or maintained at the Health Center for supplies and other medical items.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of the Governmental Funds.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated to be \$0 as of December 31, 2015. The accounts receivable in Health Services has been shown at its full collectible amount and the rest written off.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Council. The Council has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The Council's policies regarding vacation, comp and sick time permit employees to accumulate earned and unused vacation and compensation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the Chief and Council. The Council meetings are the highest level of decision-making authority of the Pleasant Point Passamaquoddy Tribal Council. Commitments may be established, modified, or rescinded through a Council meeting vote.

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given by the Council.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Tribe considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Tribe considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Tribe currently has no deferred outflows of resources.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These items are reported in both the statements of net position and governmental funds balance sheet. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available. The Tribe currently has no deferred inflows of resources.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Council or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services, or privileges provided, operating or capital grants and contributions, including special assessments).

Operating/Non-Operating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Council does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Council's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

Indirect Revenue / Expenditures

Since the indirect revenue recognized in the modified accrual financial statements is generated from federal grants, both the items of revenue and expenditures have been eliminated in the government-wide financial statements. This elimination is done to not overstate revenues or expenses that are basically transfers.

NOTE 2 – DEPOSITS AND INVESTMENTS

The Council does not have a formal investment policy but instead follows state statutes. These statutes authorize the Council to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Council applies this to all Council funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Council will not be able to recover its deposits. The Council does not have a policy covering custodial credit risk for deposits. However, the Council maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At December 31, 2015, the Council's cash balances amounting to \$3,766,959 were comprised of deposits of \$3,877,685. All of these bank deposits were fully insured by federal depository insurance or insured or collateralized with securities held by the financial institution but not in the Council's name.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking / Sweep	\$ 3,715,881
Savings	161,804
	<u>\$ 3,877,685</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Council will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Council does not have a policy for custodial credit risk for investments.

At December 31, 2015, the Council's investments of \$151,542 of stocks were not insured by federal depository insurance and consequently were exposed to custodial credit risk.

<u>Account Type</u>	<u>Fair Value</u>	<u>> 1 year</u>	<u>Not Applicable</u>
Mutual funds, stock	\$ 151,542	\$ -	\$ -
	<u>\$ 151,542</u>	<u>\$ -</u>	<u>\$ -</u>

Credit risk – Statutes for the State of Maine authorize the Council to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Council does not have an investment policy on credit risk.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2015 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General Fund	\$ 165,731	\$ 2,820,731
BIA Fund	497,398	-
Indian Health Services Fund	392,588	-
Health Services Third Party Fund	1,349,921	-
Non-major Special Revenue Funds	523,769	157,907
Non-major Capital Projects Funds	57,055	7,824
	<u>\$ 2,986,462</u>	<u>\$ 2,986,462</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2015:

	Balance 1/1/15	Additions	Disposals	Balance 12/31/15
<u>Governmental activities:</u>				
Non-depreciated assets:				
Land	\$ 135,000	\$ -	\$ -	\$ 135,000
Art works & historical treasures	55,341	-	-	55,341
	<u>190,341</u>	<u>-</u>	<u>-</u>	<u>190,341</u>
Depreciated assets:				
Land improvements	308,993	-	-	308,993
Buildings	8,298,801	-	-	8,298,801
Building improvements	5,785,229	-	-	5,785,229
Machinery & equipment	2,849,069	49,990	-	2,899,059
Vehicles	2,319,102	268,655	-	2,587,757
Infrastructure	19,118,245	-	-	19,118,245
	<u>38,679,439</u>	<u>318,645</u>	<u>-</u>	<u>38,998,084</u>
Less: accumulated depreciation	<u>(18,764,958)</u>	<u>(1,098,347)</u>	<u>-</u>	<u>(19,863,305)</u>
	<u>19,914,481</u>	<u>(779,702)</u>	<u>-</u>	<u>19,134,779</u>
Net capital assets	<u>\$ 20,104,822</u>	<u>\$ (779,702)</u>	<u>\$ -</u>	<u>\$ 19,325,120</u>

Current year depreciation:

Administration	\$ 22,400
Environmental	111,693
Health Center	133,627
Fire Department	7,172
Police Department	21,957
Public Works	196,510
Tribe-wide	182,023
Warden Service	4,133
Wastewater	365,213
Youth & Rec	<u>53,619</u>
Total depreciation expenses	<u>\$ 1,098,347</u>

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PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 5 - LONG-TERM DEBT

The General Fund of the Council is used to pay for all long-term debt. A summary of long-term debt is as follows:

	Balance, 1/1/15	Additions	Reductions	Balance 12/31/15	Current Portion
Accrued compensated absences	\$ 63,801	\$ 6,247	\$ -	\$ 70,048	\$ -
Totals	<u>\$ 63,801</u>	<u>\$ 6,247</u>	<u>\$ -</u>	<u>\$ 70,048</u>	<u>\$ -</u>

NOTE 6 – NONSPENDABLE FUND BALANCES

At December 31, 2015, the following fund balance has been classified as nonspendable:

Indian Health Services Fund:	
Inventory	<u>\$ 261,238</u>

NOTE 7 - RESTRICTED FUND BALANCES

At December 31, 2015, the following fund balances have been restricted by the Council:

BIA fund	\$ 499,490
Indian Health Services fund	396,183
Health Services Third Party fund	1,665,896
Nonmajor Special revenue funds (Schedule C)	523,769
Nonmajor Capital projects funds (Schedule P)	57,055
	<u>\$ 3,142,393</u>

NOTE 8 – AGREEMENTS WITH THIRD PARTY HEALTH RELATED BENEFITS

The Pleasant Point Passamaquoddy Tribal Council has entered into agreements with third parties to receive health related benefits for health services provided. Currently reflected in these financial statements are the revenues for benefits billed and received. These agreements are subject to audit and possible negotiation with the third parties. The amount of this liability, if any, has not been reflected in these financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 9 – DEFINED CONTRIBUTION RETIREMENT PLANS

Pleasant Point Passamaquoddy Tribal Council has established a 401K defined contribution plan, administered by an independent plan administrator. This plan includes the Tribal Chief and other selected members of the Pleasant Point's management and other eligible employees. The plan mandates that enrolled employees can contribute up to 4% of their wages. All eligible employees are vested at the time of enrollment.

NOTE 10 – RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Council maintains insurance from private insurance carriers.

Based on the coverage provided by the insurance purchased, the Council is not aware of any material actual or potential claim liabilities which should be recorded as of December 31, 2015. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 11 – OVERSPENT APPROPRIATIONS

The following appropriations were exceeded by actual expenditures:

Salaries	\$	86,253
Fringe benefits		25,878
Travel		5,425
Insurance		36,354
Supplies and postage		23,278
Telephone / Utilities		34,468
Consulting		31,215
Equipment purchases		79,395
Equipment rental / maintenance		1,451
Elected officials		757
Vehicle costs		3,290
Training /education		2,878
Legal fees		30,989
Repairs / maintenance		38,757
Transfers		16,066
		<u>416,454</u>
	\$	<u>416,454</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 12 – DEFICIT FUND BALANCES

The following funds have deficit fund balances for the year ended December 31, 2015:

Stonegarden	\$ 5,977
Title VI	56,890
Title IV B	841
CCDF	58
PPR SASP	4,625
GTG 09	30
GTG 07	2,883
CTAS 14	9,351
MOA 11-E13	596
MOA NS 12 D30	5,610
Rural development Cuspes Park 2	1,618
	<u>\$ 88,479</u>

The Council is aware of these overdrafts and will budget accordingly in future periods to take care of these overdrawn fund balance accounts.

NOTE 13 – CONTINGENCIES

The Council participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2015 may be impaired. In the opinion of the Council, there are no significant contingent liabilities relating to compliance with the rules and regulations; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies, except for any designated item mentioned in the previous paragraph.

NOTE 14 – JOINT VENTURES / OTHER TRIBAL INTERESTS AND COMMITMENTS

The Pleasant Point Passamaquoddy Tribe currently has involvement with other for-profit and not-for-profit entities, such as the Joint Tribal Council and Nebco (later renamed to Passamaquoddy Wild). As of the date of this audit report, there was no current financial information available for these entities. Therefore, any financial interest in or obligation in relation to these entities has not been recorded or recognized.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Government Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Budgetary Fund Balance, January 1	\$ 2,238,475	\$ 2,238,475	\$ 2,238,475	\$ -
Resources (Inflows)				
Intergovernmental	1,025,247	1,025,247	1,049,510	24,263
Charges for services	504,498	504,498	309,742	(194,756)
Investment income	4,432	4,432	12,573	8,141
Excise taxes	71,596	71,596	65,574	(6,022)
Unrealized gain/(loss) on investments, net	-	-	6,767	6,767
Reimbursements	-	-	16,201	16,201
Other income	685,151	685,151	741,753	56,602
Passamoquoddy Wild income	257,985	257,985	175,000	(82,985)
Transfers from other funds	-	-	146,127	146,127
Amounts Available for Appropriation	<u>4,787,384</u>	<u>4,787,384</u>	<u>4,761,722</u>	<u>(25,662)</u>
Charges to Appropriations (Outflows):				
Salaries	1,312,635	1,312,635	1,398,888	(86,253)
Fringe benefits	332,475	332,475	358,353	(25,878)
Travel	98,618	98,618	104,043	(5,425)
Real estate taxes	-	-	17,150	(17,150)
Insurance	65,558	65,558	101,912	(36,354)
Supplies / postage	102,057	102,057	125,335	(23,278)
Telephone / Utilities	92,881	92,881	127,349	(34,468)
Contractual services	187,983	187,983	180,551	7,432
Consulting	15,168	15,168	46,383	(31,215)
Program assistance	57,187	57,187	52,159	5,028
Equipment purchases	88,080	88,080	167,475	(79,395)
Equipment rental / maintenance	43,453	43,453	44,904	(1,451)
Elected officials	1,960	1,960	2,717	(757)
Rent	4,383	4,383	4,090	293
Vehicle costs	19,138	19,138	22,428	(3,290)
Training / education	5,499	5,499	8,377	(2,878)
Professional fees	99,818	99,818	91,500	8,318
Legal fees	195,263	195,263	226,252	(30,989)
Wastewater	231,467	231,467	194,487	36,980
Programs	95,773	95,773	88,663	7,110
Bank / credit card fees	5,281	5,281	5,187	94
Other expense	167,601	167,601	148,763	18,838
Repairs and maintenance	59,220	59,220	97,977	(38,757)
Transfer to other funds	-	-	16,066	(16,066)
Total Charges to Appropriation	<u>3,281,498</u>	<u>3,281,498</u>	<u>3,631,009</u>	<u>(349,511)</u>
Budgetary Fund Balance, December 31	<u>\$ 1,505,886</u>	<u>\$ 1,505,886</u>	<u>\$ 1,130,713</u>	<u>\$ (375,173)</u>
Utilization of unassigned fund balance	<u>\$ 732,589</u>	<u>\$ 732,589</u>	<u>\$ -</u>	<u>\$ (732,589)</u>

See accompanying independent auditor's report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule A - Combining Balance Sheet – Nonmajor Governmental Funds
- Schedule B - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Schedule C - Combining Balance Sheet – Nonmajor Special Revenue Funds
- Schedule D - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds
- Schedule E - Combining Balance Sheet - HHS
- Schedule F - Combining Balance Sheet – Other Health Services
- Schedule G - Combining Balance Sheet – Public Safety
- Schedule H - Combining Balance Sheet – Environmental
- Schedule I - Combining Balance Sheet – Other Programs
- Schedule J - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – HHS
- Schedule K - Combining Schedule of Expenditures – Indian Health Services
- Schedule L - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Other Health Services
- Schedule M - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Public Safety
- Schedule N - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Environmental
- Schedule O - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Other Programs
- Schedule P - Combining Balance Sheet – Nonmajor Capital Projects Funds
- Schedule Q - Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds
- Schedule R – Schedule of General Capital Assets by Function
- Schedule S – Schedule of Changes in General Capital Assets by Function

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	Special Revenue Funds	Capital Projects Funds	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Accounts receivable (net of allowance for uncollectibles):			
Grants	77,252	-	77,252
Other	-	-	-
Due from other funds	523,769	57,055	580,824
Travel advances	-	-	-
Other assets	-	-	-
Total assets	<u>\$ 601,021</u>	<u>\$ 57,055</u>	<u>\$ 658,076</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Accrued expenses	-	-	-
Due to other funds	157,907	7,824	165,731
Total liabilities	<u>157,907</u>	<u>7,824</u>	<u>165,731</u>
FUND BALANCES			
Restricted	523,769	57,055	580,824
Unassigned	(80,655)	(7,824)	(88,479)
Total fund balances	<u>443,114</u>	<u>49,231</u>	<u>492,345</u>
Total liabilities and fund balances	<u>\$ 601,021</u>	<u>\$ 57,055</u>	<u>\$ 658,076</u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Special Revenue Funds	Capital Projects Funds	Total
REVENUES			
Intergovernmental revenue:			
Federal grants	\$ 2,377,043	\$ 70,180	\$ 2,447,223
State grants	78,557	-	78,557
Other income	68,430	-	68,430
Total revenues	<u>2,524,030</u>	<u>70,180</u>	<u>2,594,210</u>
EXPENDITURES			
Current:			
Salaries	528,051	-	528,051
Fringe benefits	116,170	-	116,170
Travel	81,502	596	82,098
Insurance	2,675	-	2,675
Supplies / Postage	267,559	-	267,559
Telephone / Utilities	-	-	-
Contractual services	502,601	899	503,500
Equipment purchases	53,034	-	53,034
Equipment rental / Maintenance	-	-	-
Rent	-	-	-
Vehicle costs	-	-	-
Program assistance	729,831	-	729,831
Training / Education	7,298	-	7,298
Indirect expenditures	120,582	6,275	126,857
Other	24,570	654	25,224
Total expenditures	<u>2,433,873</u>	<u>8,424</u>	<u>2,442,297</u>
Excess (deficiency) of revenues over (under) expenditures	<u>90,157</u>	<u>61,756</u>	<u>151,913</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	16,377	-	16,377
Transfers (out)	(311)	(146,127)	(146,438)
Total other financing sources (uses)	<u>16,066</u>	<u>(146,127)</u>	<u>(130,061)</u>
Net changes in fund balances	106,223	(84,371)	21,852
Fund balances - January 1	<u>336,891</u>	<u>133,602</u>	<u>470,493</u>
Fund balances - December 31	<u>\$ 443,114</u>	<u>\$ 49,231</u>	<u>\$ 492,345</u>

See accompanying independent auditor's report and notes to financial statements.

Special Revenue Funds Description

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	<u>HHS</u>	<u>Other Health Services</u>	<u>Public Safety</u>	<u>Environmental</u>	<u>Other</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles):						
Grants	-	-	-	-	77,252	77,252
Other	-	-	-	-	-	-
Due from other funds	3,640	294,504	-	59,502	166,123	523,769
Travel advances	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total assets	<u>\$ 3,640</u>	<u>\$ 294,504</u>	<u>\$ -</u>	<u>\$ 59,502</u>	<u>\$ 243,375</u>	<u>\$ 601,021</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	5,977	-	151,930	157,907
Total liabilities	<u>-</u>	<u>-</u>	<u>5,977</u>	<u>-</u>	<u>151,930</u>	<u>157,907</u>
FUND BALANCES						
Restricted	3,640	294,504	-	59,502	166,123	523,769
Unassigned	-	-	(5,977)	-	(74,678)	(80,655)
Total fund balances	<u>3,640</u>	<u>294,504</u>	<u>(5,977)</u>	<u>59,502</u>	<u>91,445</u>	<u>443,114</u>
Total liabilities and fund balances	<u>\$ 3,640</u>	<u>\$ 294,504</u>	<u>\$ -</u>	<u>\$ 59,502</u>	<u>\$ 243,375</u>	<u>\$ 601,021</u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	HHS	Other Health Services	Public Safety	Environ- mental	Other	Total
REVENUES						
Intergovernmental revenue:						
Federal grants	\$ 507,389	\$ 97,261	\$ -	\$ 768,110	\$ 1,004,283	\$ 2,377,043
State grants	-	-	-	-	78,557	78,557
Other income	-	-	-	-	68,430	68,430
Total revenues	<u>507,389</u>	<u>97,261</u>	<u>-</u>	<u>768,110</u>	<u>1,151,270</u>	<u>2,524,030</u>
EXPENDITURES						
Current:						
Salaries	34,576	-	2,304	295,604	195,567	528,051
Fringe benefits	6,912	-	176	58,549	50,533	116,170
Travel	-	2,304	-	34,941	44,257	81,502
Insurance	-	-	-	2,675	-	2,675
Supplies / Postage	(962)	34,295	-	104,642	129,584	267,559
Telephone / Utilities	-	-	-	-	-	-
Contractual services	-	39,254	-	122,570	340,777	502,601
Equipment purchases	-	-	-	41,077	11,957	53,034
Program assistance	443,401	-	-	-	286,430	729,831
Equipment rental / Maintenance	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Vehicle costs	-	-	-	-	-	-
Training / Education	-	-	-	3,614	3,684	7,298
Indirect expenditures	5,665	-	-	79,349	35,568	120,582
Other	6,093	2,744	-	3,288	12,445	24,570
Total expenditures	<u>495,685</u>	<u>78,597</u>	<u>2,480</u>	<u>746,309</u>	<u>1,110,802</u>	<u>2,433,873</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,704</u>	<u>18,664</u>	<u>(2,480)</u>	<u>21,801</u>	<u>40,468</u>	<u>90,157</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	16,377	16,377
Transfers (out)	-	-	-	(311)	-	(311)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(311)</u>	<u>16,377</u>	<u>16,066</u>
Net changes in fund balances	11,704	18,664	(2,480)	21,490	56,845	106,223
Fund balances - January 1	<u>(8,064)</u>	<u>275,840</u>	<u>(3,497)</u>	<u>38,012</u>	<u>34,600</u>	<u>336,891</u>
Fund balances - December 31	<u>\$ 3,640</u>	<u>\$ 294,504</u>	<u>\$ (5,977)</u>	<u>\$ 59,502</u>	<u>\$ 91,445</u>	<u>\$ 443,114</u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - HHS
DECEMBER 31, 2015

	<u>IMLS</u> <u>150</u>	<u>CSBG</u> <u>477</u>	<u>LIHEAP</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Accounts receivable (net of allowance for uncollectibles):				
Grants	-	-	-	-
Other	-	-	-	-
Due from other funds	10	1,180	2,450	3,640
Travel advances	-	-	-	-
Other assets	-	-	-	-
Total assets	<u>\$ 10</u>	<u>\$ 1,180</u>	<u>\$ 2,450</u>	<u>\$ 3,640</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	10	1,180	2,450	3,640
Unassigned	-	-	-	-
Total fund balances	<u>10</u>	<u>1,180</u>	<u>2,450</u>	<u>3,640</u>
Total liabilities and fund balances	<u>\$ 10</u>	<u>\$ 1,180</u>	<u>\$ 2,450</u>	<u>\$ 3,640</u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - OTHER HEALTH SERVICES
DECEMBER 31, 2015

	<u>USET Diabetes 560</u>	<u>MEHAF</u>	<u>Team Heal Faster</u>	<u>HC Renv Stimulus</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles):					
Grants	-	-	-	-	-
Other	-	-	-	-	-
Due from other funds	244,579	-	11	49,914	294,504
Travel advances	-	-	-	-	-
Other assets	-	-	-	-	-
Total assets	<u>\$ 244,579</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 49,914</u>	<u>\$ 294,504</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	244,579	-	11	49,914	294,504
Unassigned	-	-	-	-	-
Total fund balances	<u>244,579</u>	<u>-</u>	<u>11</u>	<u>49,914</u>	<u>294,504</u>
Total liabilities and fund balances	<u>\$ 244,579</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 49,914</u>	<u>\$ 294,504</u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - PUBLIC SAFETY
DECEMBER 31, 2015

	<u>2006</u> <u>HEWX0029</u> <u>207</u>	<u>Stonegarden</u> <u>205</u>	<u>HEWX0100</u> <u>208</u>	<u>2006</u> <u>VRGX0004</u> <u>417</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles):					
Grants	-	-	-	-	-
Other	-	-	-	-	-
Due from other funds	-	-	-	-	-
Travel advances	-	-	-	-	-
Other assets	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	-
Accrued expenses	-	-	-	-	-
Due to other funds	-	5,977	-	-	5,977
Total liabilities	<u>-</u>	<u>5,977</u>	<u>-</u>	<u>-</u>	<u>5,977</u>
FUND BALANCES					
Restricted	-	-	-	-	-
Unassigned	-	(5,977)	-	-	(5,977)
Total fund balances	<u>-</u>	<u>(5,977)</u>	<u>-</u>	<u>-</u>	<u>(5,977)</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - ENVIRONMENTAL
DECEMBER 31, 2015

	Kinetic Engergy 819	Fuel Production 829	Brownfields	Brownfields 6 837	Brownfields 5 835	AIR 08 831
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles):						
Grants	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	-	18,218	1,328	3,124	979	161
Travel advances	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total assets	\$ -	\$ 18,218	\$ 1,328	\$ 3,124	\$ 979	\$ 161
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
FUND BALANCES						
Restricted	-	18,218	1,328	3,124	979	161
Unassigned	-	-	-	-	-	-
Total fund balances	-	18,218	1,328	3,124	979	161
Total liabilities and fund balances	\$ -	\$ 18,218	\$ 1,328	\$ 3,124	\$ 979	\$ 161

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - ENVIRONMENTAL
DECEMBER 31, 2015

	<u>AIR</u> <u>12</u> <u>834</u>	<u>AIR</u> <u>13</u> <u>836</u>	<u>PPG</u> <u>08 / 09</u> <u>815/816</u>	<u>PPG</u> <u>10</u> <u>817</u>	<u>PPG</u> <u>11</u> <u>818</u>	<u>PPG</u> <u>12</u> <u>838</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles):						
Grants	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	109	81	12,707	-	729	1,428
Travel advances	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total assets	<u>\$ 109</u>	<u>\$ 81</u>	<u>\$ 12,707</u>	<u>\$ -</u>	<u>\$ 729</u>	<u>\$ 1,428</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted	109	81	12,707	-	729	1,428
Unassigned	-	-	-	-	-	-
Total fund balances	<u>109</u>	<u>81</u>	<u>12,707</u>	<u>-</u>	<u>729</u>	<u>1,428</u>
Total liabilities and fund balances	<u>\$ 109</u>	<u>\$ 81</u>	<u>\$ 12,707</u>	<u>\$ -</u>	<u>\$ 729</u>	<u>\$ 1,428</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - ENVIRONMENTAL
DECEMBER 31, 2015

	<u>CWA 827</u>	<u>RGGI Energy</u>	<u>TSCA 2007 820</u>	<u>Sea Wall 839</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles):					
Grants	-	-	-	-	-
Other	-	-	-	-	-
Due from other funds	49	-	16,545	4,044	59,502
Travel advances	-	-	-	-	-
Other assets	-	-	-	-	-
Total assets	<u>\$ 49</u>	<u>\$ -</u>	<u>\$ 16,545</u>	<u>\$ 4,044</u>	<u>\$ 59,502</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	49	-	16,545	4,044	59,502
Unassigned	-	-	-	-	-
Total fund balances	<u>49</u>	<u>-</u>	<u>16,545</u>	<u>4,044</u>	<u>59,502</u>
Total liabilities and fund balances	<u>\$ 49</u>	<u>\$ -</u>	<u>\$ 16,545</u>	<u>\$ 4,044</u>	<u>\$ 59,502</u>

See accompanying independent auditor’s report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - OTHER PROGRAMS
DECEMBER 31, 2015

	<u>Aphis</u>	<u>Title IV B 427-428</u>	<u>Elderly Title VI 430</u>	<u>Headstart 431</u>	<u>Museum</u>	<u>ME CCD 387/390</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles):						
Grants	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	46,250	-	-	-	2,263	55,219
Travel advances	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total assets	<u>\$ 46,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,263</u>	<u>\$ 55,219</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	841	56,890	-	-	-
Total liabilities	<u>-</u>	<u>841</u>	<u>56,890</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted	46,250	-	-	-	2,263	55,219
Unassigned	-	(841)	(56,890)	-	-	-
Total fund balances	<u>46,250</u>	<u>(841)</u>	<u>(56,890)</u>	<u>-</u>	<u>2,263</u>	<u>55,219</u>
Total liabilities and fund balances	<u>\$ 46,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,263</u>	<u>\$ 55,219</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - OTHER PROGRAMS
DECEMBER 31, 2015

	<u>CCDF</u> <u>458/485</u>	<u>PPR SASP</u>	<u>WIC</u> <u>825</u>	<u>Ind</u> <u>Living</u>	<u>WIA</u> <u>180</u>	<u>MCF</u> <u>Raised Bed</u> <u>252</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles):						
Grants	-	-	5,637	-	-	-
Other	-	-	-	-	-	-
Due from other funds	-	-	-	7,396	2,399	11,264
Travel advances	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,637</u>	<u>\$ 7,396</u>	<u>\$ 2,399</u>	<u>\$ 11,264</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	<u>58</u>	<u>4,625</u>	<u>5,637</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>58</u>	<u>4,625</u>	<u>5,637</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted	-	-	-	7,396	2,399	11,264
Unassigned	<u>(58)</u>	<u>(4,625)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>(58)</u>	<u>(4,625)</u>	<u>-</u>	<u>7,396</u>	<u>2,399</u>	<u>11,264</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,637</u>	<u>\$ 7,396</u>	<u>\$ 2,399</u>	<u>\$ 11,264</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - OTHER PROGRAMS
DECEMBER 31, 2015

	<u>St. Croix Fish Pass</u>	<u>NEA</u>	<u>P.R. Unrestricted</u>	<u>PPR SASP</u>	<u>MCF Schoodic RK 253</u>	<u>State General Assistance</u>	<u>FVPS 451-452</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles):							
Grants	-	-	-	-	-	34,668	1,838
Other	-	-	-	-	-	-	-
Due from other funds	-	-	1,326	6,045	18,411	-	-
Travel advances	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,326</u>	<u>\$ 6,045</u>	<u>\$ 18,411</u>	<u>\$ 34,668</u>	<u>\$ 1,838</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	34,668	1,838
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,668</u>	<u>1,838</u>
FUND BALANCES							
Restricted	-	-	1,326	6,045	18,411	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>1,326</u>	<u>6,045</u>	<u>18,411</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,326</u>	<u>\$ 6,045</u>	<u>\$ 18,411</u>	<u>\$ 34,668</u>	<u>\$ 1,838</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - OTHER PROGRAMS
DECEMBER 31, 2015

	<u>TYP 418</u>	<u>GTG 07 WAX0010 446</u>	<u>GTG 09 447</u>	<u>CTAS 10 449</u>	<u>CTAS 14 481</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Receivables (net of allowance)						-
Grants	35,109	-	-	-	-	77,252
Other	-	-	-	-	-	-
Due from other funds	-	-	-	8,783	-	166,123
Travel advances	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total assets	<u>\$ 35,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,783</u>	<u>\$ -</u>	<u>\$ 243,375</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	35,109	2,883	30	-	9,351	151,930
Total liabilities	<u>35,109</u>	<u>2,883</u>	<u>30</u>	<u>-</u>	<u>9,351</u>	<u>151,930</u>
FUND BALANCES						
Restricted	-	-	-	8,783	-	166,123
Unassigned	-	(2,883)	(30)	-	(9,351)	(74,678)
Total fund balances	<u>-</u>	<u>(2,883)</u>	<u>(30)</u>	<u>8,783</u>	<u>(9,351)</u>	<u>91,445</u>
Total liabilities and fund balances	<u>\$ 35,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,783</u>	<u>\$ -</u>	<u>\$ 243,375</u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – HHS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>IMLS</u> <u>150</u>	<u>CSBG</u> <u>477</u>	<u>LIHEAP</u>	<u>Total</u>
REVENUES				
Intergovernmental revenue:				
Federal grants	\$ -	\$ 7,015	\$ 500,374	\$ 507,389
State grants	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>-</u>	<u>7,015</u>	<u>500,374</u>	<u>507,389</u>
EXPENDITURES				
Current:				
Salaries	-	-	34,576	34,576
Fringe benefits	-	-	6,912	6,912
Travel	-	-	-	-
Insurance	-	-	-	-
Supplies / Postage	-	-	(962)	(962)
Telephone / Utilities	-	-	-	-
Contractual services	-	-	-	-
Equipment purchases	-	-	-	-
Program assistance	-	-	443,401	443,401
Equipment rental / Maintenance	-	-	-	-
Training / Education	-	-	-	-
Indirect expenditures	-	-	5,665	5,665
Other	-	6,093	-	6,093
Total expenditures	<u>-</u>	<u>6,093</u>	<u>489,592</u>	<u>495,685</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>922</u>	<u>10,782</u>	<u>11,704</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	922	10,782	11,704
Fund balances - January 1	<u>10</u>	<u>258</u>	<u>(8,332)</u>	<u>(8,064)</u>
Fund balances - December 31	<u>\$ 10</u>	<u>\$ 1,180</u>	<u>\$ 2,450</u>	<u>\$ 3,640</u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF EXPENDITURES - INDIAN HEALTH SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Health Services	Third Party	Total
EXPENDITURES			
Current:			
Salaries	\$ 1,759,041	\$ 211,031	\$ 1,970,072
Fringe benefits	501,692	87,138	588,830
Travel	27,500	21,510	49,010
Insurance	10,036	4,538	14,574
Supplies / Postage	35,739	23,157	58,896
Medical supplies	519,992	149,160	669,152
Telephone / Utilities	68,102	19,257	87,359
Contractual services	3,235	670,467	673,702
Professional services	4,605	-	4,605
Inpatient / Outpatient	803,161	289,197	1,092,358
Equipment purchases	37,771	7,708	45,479
Equipment rental / Maintenance	1,859	3,135	4,994
Rent	-	7,626	7,626
Training / Education	8,875	1,073	9,948
Repairs and maintenance	38,254	-	38,254
Indirect expenditures	375,814	215,923	591,737
Other	43,782	43,523	87,305
Total expenditures	<u>\$ 4,239,458</u>	<u>\$ 1,754,443</u>	<u>\$ 5,993,901</u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER HEALTH SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2015

	USET Diabetes 560	MEHAF	Team Heal Faster	HC Renv Stimulus	Total
REVENUES					
Intergovernmental revenue:					
Federal grants	\$ 97,261	\$ -	\$ -	\$ -	\$ 97,261
State grants	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	<u>97,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,261</u>
EXPENDITURES					
Current:					
Salaries	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Travel	2,304	-	-	-	2,304
Insurance	-	-	-	-	-
Supplies / Postage	34,295	-	-	-	34,295
Telephone / Utilities	-	-	-	-	-
Contractual services	39,254	-	-	-	39,254
Equipment purchases	-	-	-	-	-
Program assistance	-	-	-	-	-
Equipment rental / Maintenance	-	-	-	-	-
Training / education	-	-	-	-	-
Indirect expenditures	-	-	-	-	-
Other	2,744	-	-	-	2,744
Total expenditures	<u>78,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,597</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,664</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	18,664	-	-	-	18,664
Fund balances - January 1	<u>225,915</u>	<u>-</u>	<u>11</u>	<u>49,914</u>	<u>275,840</u>
Fund balances - December 31	<u>\$ 244,579</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 49,914</u>	<u>\$ 294,504</u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - PUBLIC SAFETY
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2006</u> <u>HEWX0029</u> <u>207</u>	<u>Stonegarden</u> <u>205</u>	<u>HEWX0100</u> <u>208</u>	<u>2006</u> <u>VRGX0004</u> <u>417</u>	<u>Total</u>
REVENUES					
Intergovernmental revenue:					
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current:					
Salaries	-	2,304	-	-	2,304
Fringe benefits	-	176	-	-	176
Travel	-	-	-	-	-
Insurance	-	-	-	-	-
Supplies / Postage	-	-	-	-	-
Telephone / Utilities	-	-	-	-	-
Contractual services	-	-	-	-	-
Equipment purchases	-	-	-	-	-
Program assistance	-	-	-	-	-
Equipment rental / Maintenance	-	-	-	-	-
Training / Education	-	-	-	-	-
Indirect expenditures	-	-	-	-	-
Other	-	-	-	-	-
Total expenditures	<u>-</u>	<u>2,480</u>	<u>-</u>	<u>-</u>	<u>2,480</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(2,480)</u>	<u>-</u>	<u>-</u>	<u>(2,480)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	(2,480)	-	-	(2,480)
Fund balances - January 1	<u>-</u>	<u>(3,497)</u>	<u>-</u>	<u>-</u>	<u>(3,497)</u>
Fund balances - December 31	<u>\$ -</u>	<u>\$ (5,977)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,977)</u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ENVIRONMENTAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Kinetic Energy 819</u>	<u>Fuel Production 829</u>	<u>Brownfields 7</u>	<u>Brownfields 2</u>	<u>EPA Standpipe</u>	<u>AIR 08 831</u>
REVENUES						
Intergovernmental revenue:						
Federal grants	\$ -	\$ -	\$ 132,641	\$ 30,283	\$ 55,000	\$ -
State grants	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>132,641</u>	<u>30,283</u>	<u>55,000</u>	<u>-</u>
EXPENDITURES						
Current:						
Salaries	-	-	39,398	14,588	11,730	-
Fringe benefits	-	-	10,751	3,901	987	-
Travel	-	-	2,684	162	-	-
Insurance	-	-	657	-	-	-
Supplies / Postage	-	-	2,342	30	-	-
Telephone / Utilities	-	-	-	-	-	-
Contractual services	-	-	63,160	7,031	4,800	-
Equipment purchases	-	-	-	-	33,622	-
Program assistance	-	-	-	-	-	-
Equipment rental / Maintenance	-	-	-	-	-	-
Training / Education	-	-	-	-	-	-
Indirect expenditures	1,391	-	11,022	1,447	1,077	-
Other	-	-	-	-	1,805	-
Total expenditures	<u>1,391</u>	<u>-</u>	<u>130,014</u>	<u>27,159</u>	<u>54,021</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,391)</u>	<u>-</u>	<u>2,627</u>	<u>3,124</u>	<u>979</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(1,391)	-	2,627	3,124	979	-
Fund balances - January 1	<u>1,391</u>	<u>18,218</u>	<u>(1,299)</u>	<u>-</u>	<u>-</u>	<u>161</u>
Fund balances - December 31	<u>\$ -</u>	<u>\$ 18,218</u>	<u>\$ 1,328</u>	<u>\$ 3,124</u>	<u>\$ 979</u>	<u>\$ 161</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ENVIRONMENTAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>AIR</u> <u>12</u> <u>834</u>	<u>AIR</u> <u>13</u> <u>836</u>	<u>PPG</u>	<u>PPG</u> <u>10</u> <u>817</u>	<u>PPG</u> <u>11</u> <u>818</u>	<u>PPG</u> <u>14</u>
REVENUES						
Intergovernmental revenue:						
Federal grants	\$ -	\$ 112,094	\$ 270,779	\$ 11,165	\$ 25,928	\$ 60,958
State grants	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>112,094</u>	<u>270,779</u>	<u>11,165</u>	<u>25,928</u>	<u>60,958</u>
EXPENDITURES						
Current:						
Salaries	-	63,333	104,479	9,338	13,219	39,519
Fringe benefits	-	8,885	22,234	1,025	2,944	7,822
Travel	-	4,127	24,529	685	(708)	3,462
Insurance	-	-	2,018	-	-	-
Supplies / Postage	-	17,158	53,798	-	-	8,391
Telephone / Utilities	-	-	-	-	-	-
Contractual services	-	-	200	-	-	1,040
Equipment purchases	-	-	7,455	-	-	-
Program assistance	-	-	-	-	-	-
Equipment rental / Maintenance	-	-	-	-	-	-
Training / Education	-	-	3,614	-	-	-
Indirect expenditures	-	17,324	33,786	-	13,302	-
Other	-	-	655	117	-	711
Total expenditures	<u>-</u>	<u>110,827</u>	<u>252,768</u>	<u>11,165</u>	<u>28,757</u>	<u>60,945</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,267</u>	<u>18,011</u>	<u>-</u>	<u>(2,829)</u>	<u>13</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	1,267	18,011	-	(2,829)	13
Fund balances - January 1	<u>109</u>	<u>(1,186)</u>	<u>(5,304)</u>	<u>-</u>	<u>3,558</u>	<u>1,415</u>
Fund balances - December 31	<u>\$ 109</u>	<u>\$ 81</u>	<u>\$ 12,707</u>	<u>\$ -</u>	<u>\$ 729</u>	<u>\$ 1,428</u>

SCHEDULE N (CONTINUED)

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ENVIRONMENTAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>CWA 827</u>	<u>Hazardous Waste</u>	<u>TSCA 2007 820</u>	<u>Sea Wall 839</u>	<u>Total</u>
REVENUES					
Intergovernmental revenue:					
Federal grants	\$ 36,251	\$ 33,011	\$ -	\$ -	\$ 768,110
State grants	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	<u>36,251</u>	<u>33,011</u>	<u>-</u>	<u>-</u>	<u>768,110</u>
EXPENDITURES					
Current:					
Salaries	-	-	-	-	295,604
Fringe benefits	-	-	-	-	58,549
Travel	-	-	-	-	34,941
Insurance	-	-	-	-	2,675
Supplies / Postage	922	22,001	-	-	104,642
Telephone / Utilities	-	-	-	-	-
Contractual services	35,329	11,010	-	-	122,570
Equipment purchases	-	-	-	-	41,077
Program assistance	-	-	-	-	-
Equipment rental / Maintenance	-	-	-	-	-
Training / Education	-	-	-	-	3,614
Indirect expenditures	-	-	-	-	79,349
Other	-	-	-	-	3,288
Total expenditures	<u>36,251</u>	<u>33,011</u>	<u>-</u>	<u>-</u>	<u>746,309</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,801</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	(311)	-	-	(311)
Total other financing sources (uses)	<u>-</u>	<u>(311)</u>	<u>-</u>	<u>-</u>	<u>(311)</u>
Net changes in fund balances	-	(311)	-	-	21,490
Fund balances - January 1	<u>49</u>	<u>311</u>	<u>16,545</u>	<u>4,044</u>	<u>38,012</u>
Fund balances - December 31	<u>\$ 49</u>	<u>\$ -</u>	<u>\$ 16,545</u>	<u>\$ 4,044</u>	<u>\$ 59,502</u>

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - OTHER PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Fish Hatchery	Title IV B 427-428	Elderly Title VI 430	Headstart 431	Museum	ME CCD 387/390
REVENUES						
Intergovernmental revenue:						
Federal grants	\$ -	\$ 14,843	\$ 129,267	\$ 280,488	\$ -	\$ -
State grants	-	-	-	-	-	-
Other income	50,000	-	-	-	-	-
Total revenues	<u>50,000</u>	<u>14,843</u>	<u>129,267</u>	<u>280,488</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Current:						
Salaries	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-
Travel	-	5,665	-	-	-	-
Insurance	-	-	-	-	-	-
Supplies / Postage	3,750	-	54,451	-	665	-
Telephone / Utilities	-	-	-	-	-	-
Contractual services	-	-	-	280,488	-	-
Equipment purchases	-	-	-	-	-	-
Program assistance	-	9,178	73,920	-	-	-
Equipment rental / Maintenance	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Training / Education	-	-	-	-	-	-
Indirect expenditures	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total expenditures	<u>3,750</u>	<u>14,843</u>	<u>128,371</u>	<u>280,488</u>	<u>665</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>46,250</u>	<u>-</u>	<u>896</u>	<u>-</u>	<u>(665)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	46,250	-	896	-	(665)	-
Fund balances - January 1	<u>-</u>	<u>(841)</u>	<u>(57,786)</u>	<u>-</u>	<u>2,928</u>	<u>55,219</u>
Fund balances - December 31	<u>\$ 46,250</u>	<u>\$ (841)</u>	<u>\$ (56,890)</u>	<u>\$ -</u>	<u>\$ 2,263</u>	<u>\$ 55,219</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - OTHER PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2015

	CCDF 458/485	PPR SASP	WIC 825	Ind Living	WIA 180	MCF Raised Bed 252
REVENUES						
Intergovernmental revenue:						
Federal grants	\$ 42,444	\$ -	\$ 98,309	\$ -	\$ 4,566	\$ -
State grants	-	-	-	6,000	-	-
Other income	-	-	-	-	-	-
Total revenues	<u>42,444</u>	<u>-</u>	<u>98,309</u>	<u>6,000</u>	<u>4,566</u>	<u>-</u>
EXPENDITURES						
Current:						
Salaries	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-
Travel	-	309	-	-	-	-
Insurance	-	-	-	-	-	-
Supplies / Postage	42,444	19	-	-	-	-
Telephone / Utilities	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-
Equipment purchases	-	-	-	-	-	-
Program assistance	-	-	94,582	2,635	5,590	-
Equipment rental / Maintenance	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Training / Education	-	2,630	-	-	-	-
Indirect expenditures	-	-	-	-	-	-
Other	-	-	-	3,365	-	-
Total expenditures	<u>42,444</u>	<u>2,958</u>	<u>94,582</u>	<u>6,000</u>	<u>5,590</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(2,958)</u>	<u>3,727</u>	<u>-</u>	<u>(1,024)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	(2,958)	3,727	-	(1,024)	-
Fund balances - January 1	<u>(58)</u>	<u>(1,667)</u>	<u>(3,727)</u>	<u>7,396</u>	<u>3,423</u>	<u>11,264</u>
Fund balances - December 31	<u>\$ (58)</u>	<u>\$ (4,625)</u>	<u>\$ -</u>	<u>\$ 7,396</u>	<u>\$ 2,399</u>	<u>\$ 11,264</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - OTHER PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2015

	St. Croix Fish Pass	NEA	P.R. Unrestricted	PPR SASP	MCF Schoodic RK 253	State General Assistance	FVPS 451-452
REVENUES							
Intergovernmental revenue:							
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,440
State grants	-	-	100	3,000	-	69,457	-
Other income	18,430	-	-	-	-	-	-
Total revenues	<u>18,430</u>	<u>-</u>	<u>100</u>	<u>3,000</u>	<u>-</u>	<u>69,457</u>	<u>14,440</u>
EXPENDITURES							
Current:							
Salaries	-	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-	-
Travel	-	-	-	-	98	-	5,395
Insurance	-	-	-	-	-	-	-
Supplies / Postage	-	-	-	-	93	-	1,056
Telephone / Utilities	-	-	-	-	-	-	-
Contractual services	20,000	-	-	-	1,398	-	-
Equipment purchases	-	-	-	-	-	-	-
Program assistance	-	-	1,284	-	-	82,408	9,293
Equipment rental / Maintenance	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-
Training / Education	-	-	-	-	-	-	454
Indirect expenditures	-	-	-	-	-	-	483
Other	-	-	1,370	-	-	-	-
Total expenditures	<u>20,000</u>	<u>-</u>	<u>2,654</u>	<u>-</u>	<u>1,589</u>	<u>82,408</u>	<u>16,681</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,570)</u>	<u>-</u>	<u>(2,554)</u>	<u>3,000</u>	<u>(1,589)</u>	<u>(12,951)</u>	<u>(2,241)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	16,377	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,377</u>	<u>-</u>
Net changes in fund balances	(1,570)	-	(2,554)	3,000	(1,589)	3,426	(2,241)
Fund balances - January 1	<u>1,570</u>	<u>-</u>	<u>3,880</u>	<u>3,045</u>	<u>20,000</u>	<u>(3,426)</u>	<u>2,241</u>
Fund balances - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,326</u>	<u>\$ 6,045</u>	<u>\$ 18,411</u>	<u>\$ -</u>	<u>\$ -</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - OTHER PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Project Launch	TWLG	GTG 09 447	CTAS 10 449	CTAS 14 481	Total
REVENUES						
Intergovernmental revenue:						
Federal grants	\$ 138,253	\$ 76,860	\$ -	\$ 41,396	\$ 123,269	\$ 1,004,283
State grants	-	-	-	-	-	78,557
Other income	-	-	-	-	-	68,430
Total revenues	<u>138,253</u>	<u>76,860</u>	<u>-</u>	<u>41,396</u>	<u>123,269</u>	<u>1,151,270</u>
EXPENDITURES						
Current:						
Salaries	76,727	34,353	-	-	84,487	195,567
Fringe benefits	18,631	7,776	-	-	24,126	50,533
Travel	12,894	7,306	-	8,905	3,685	44,257
Insurance	-	-	-	-	-	-
Supplies / Postage	19,192	7,573	-	231	110	129,584
Telephone / Utilities	-	-	-	-	-	-
Contractual services	-	-	-	5,510	-	340,777
Equipment purchases	-	11,957	-	-	-	11,957
Program assistance	-	-	-	6,338	1,202	286,430
Equipment rental / Maintenance	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Training / Education	-	-	-	600	-	3,684
Indirect expenditures	7,752	10,778	-	1,020	15,535	35,568
Other	3,057	-	-	3,315	1,338	12,445
Total expenditures	<u>138,253</u>	<u>79,743</u>	<u>-</u>	<u>25,919</u>	<u>130,483</u>	<u>1,110,802</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(2,883)</u>	<u>-</u>	<u>15,477</u>	<u>(7,214)</u>	<u>40,468</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	16,377
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,377</u>
Net changes in fund balances	-	(2,883)	-	15,477	(7,214)	56,845
Fund balances - January 1	-	-	(30)	(6,694)	(2,137)	34,600
Fund balances - December 31	<u>\$ -</u>	<u>\$ (2,883)</u>	<u>\$ (30)</u>	<u>\$ 8,783</u>	<u>\$ (9,351)</u>	<u>\$ 91,445</u>

See accompanying independent auditor’s report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2015

	<u>MOA</u> <u>NS-11-D22</u>	<u>MOA</u> <u>11-E13</u>	<u>MOA</u> <u>NS-12-D30</u>	<u>MOA</u> <u>NS-09-S17</u> <u>Stimulus</u>	<u>MOA</u> <u>NS 09-M07</u>	<u>MOA</u> <u>10-E11</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Accounts receivables (net of allowance for uncollectibles):						
Grants	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	25,153	-	-	135	7,498	2,387
Travel advances	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total assets	<u><u>\$ 25,153</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 135</u></u>	<u><u>\$ 7,498</u></u>	<u><u>\$ 2,387</u></u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	596	5,610	-	-	-
Total liabilities	<u><u>-</u></u>	<u><u>596</u></u>	<u><u>5,610</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
FUND BALANCES						
Restricted	25,153	-	-	135	7,498	2,387
Unassigned	-	(596)	(5,610)	-	-	-
Total fund balances	<u><u>25,153</u></u>	<u><u>(596)</u></u>	<u><u>(5,610)</u></u>	<u><u>135</u></u>	<u><u>7,498</u></u>	<u><u>2,387</u></u>
Total liabilities and fund balances	<u><u>\$ 25,153</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 135</u></u>	<u><u>\$ 7,498</u></u>	<u><u>\$ 2,387</u></u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2015

	MOA NS -11 -E-14	Rural Dev Master Plan Year 1	Rural Development HC Equip	Rural Dev Police	Rural Dev Technical Asst	Rural Development Community Center
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Accounts receivables (net of allowance for uncollectibles):						
Grants	-	-	-	-	-	-
Other	-	-	-	-	-	-
Due from other funds	-	4,016	2,676	1,674	3,666	9,850
Travel advances	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total assets	\$ -	\$ 4,016	\$ 2,676	\$ 1,674	\$ 3,666	\$ 9,850
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
FUND BALANCES						
Restricted	-	4,016	2,676	1,674	3,666	9,850
Unassigned	-	-	-	-	-	-
Total fund balances	-	4,016	2,676	1,674	3,666	9,850
Total liabilities and fund balances	\$ -	\$ 4,016	\$ 2,676	\$ 1,674	\$ 3,666	\$ 9,850

SCHEDULE P (CONTINUED)
PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2015

	Rural Development Cuspes Park 2	BIA Road Projects	Totals
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Accounts receivables (net of allowance for uncollectibles):			-
Grants	-	-	-
Other	-	-	-
Due from other funds	-	-	57,055
Travel advances	-	-	-
Other assets	-	-	-
	<hr/>	<hr/>	<hr/>
Total assets	\$ -	\$ -	\$ 57,055
LIABILITIES			
Accounts payable	\$ -	\$ -	-
Accrued expenses	-	-	-
Due to other funds	1,618	-	7,824
	<hr/>	<hr/>	<hr/>
Total liabilities	1,618	-	7,824
FUND BALANCES			
Restricted	-	-	57,055
Unassigned	(1,618)	-	(7,824)
	<hr/>	<hr/>	<hr/>
Total fund balances	(1,618)	-	49,231
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ -	\$ -	\$ 57,055

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>MOA</u> <u>NS-10-HP2</u>	<u>MOA</u> <u>NS 03 HD6</u>	<u>MOA</u> <u>NS-12-D30</u>	<u>MOA</u> <u>NS-09-S17</u> <u>Stimulus</u>	<u>MOA</u> <u>NS 09-M07</u>	<u>MOA</u> <u>10-E11</u>
REVENUES						
Intergovernmental revenue:						
Federal grants	\$ 26,367	\$ -	\$ -	\$ -	\$ 6,100	\$ -
State grants	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenues	<u>26,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,100</u>	<u>-</u>
EXPENDITURES						
Current:						
Salaries	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-
Travel	-	596	-	-	-	-
Insurance	-	-	-	-	-	-
Supplies / Postage	-	-	-	-	-	-
Telephone / Utilities	-	-	-	-	-	-
Contractual services	899	-	-	-	-	-
Equipment purchases	-	-	-	-	-	-
Program assistance	-	-	-	-	-	-
Equipment rental / Maintenance	-	-	-	-	-	-
Training / Education	-	-	-	-	-	-
Indirect expenditures	315	-	5,960	-	-	-
Other	-	-	-	-	654	-
Total expenditures	<u>1,214</u>	<u>596</u>	<u>5,960</u>	<u>-</u>	<u>654</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,153</u>	<u>(596)</u>	<u>(5,960)</u>	<u>-</u>	<u>5,446</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	25,153	(596)	(5,960)	-	5,446	-
Fund balances - January 1	-	-	350	135	2,052	2,387
Fund balances - December 31	<u>\$ 25,153</u>	<u>\$ (596)</u>	<u>\$ (5,610)</u>	<u>\$ 135</u>	<u>\$ 7,498</u>	<u>\$ 2,387</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>MOA</u> <u>NS -11 -E-14</u>	<u>Rural Dev</u> <u>Master Plan</u> <u>Year 1</u>	<u>Rural</u> <u>Development</u> <u>HC Equip</u>	<u>Rural</u> <u>Dev</u> <u>Police</u>	<u>Rural Dev</u> <u>Technical</u> <u>Asst</u>	<u>Rural</u> <u>Development</u> <u>Community Center</u>
REVENUES						
Intergovernmental revenue:						
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Current:						
Salaries	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Supplies / Postage	-	-	-	-	-	-
Telephone / Utilities	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-
Equipment purchases	-	-	-	-	-	-
Program assistance	-	-	-	-	-	-
Equipment rental / Maintenance	-	-	-	-	-	-
Training / Education	-	-	-	-	-	-
Indirect expenditures	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	-	-	-	-	-
Fund balances - January 1	<u>-</u>	<u>4,016</u>	<u>2,676</u>	<u>1,674</u>	<u>3,666</u>	<u>9,850</u>
Fund balances - December 31	<u>\$ -</u>	<u>\$ 4,016</u>	<u>\$ 2,676</u>	<u>\$ 1,674</u>	<u>\$ 3,666</u>	<u>\$ 9,850</u>

SCHEDULE Q (CONTINUED)

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Rural Development Cuspes Park 2</u>	<u>BIA Road Projects</u>	<u>Totals</u>
REVENUES			
Intergovernmental revenue:			
Federal grants	\$ -	\$ 37,713	\$ 70,180
State grants	-	-	-
Other income	-	-	-
Total revenues	<u>-</u>	<u>37,713</u>	<u>70,180</u>
EXPENDITURES			
Current:			
Salaries	-	-	-
Fringe benefits	-	-	-
Travel	-	-	596
Insurance	-	-	-
Supplies	-	-	-
Telephone / Utilities	-	-	-
Contractual services	-	-	899
Equipment purchases	-	-	-
Program assistance	-	-	-
Equipment rental / Maintenance	-	-	-
Vehicle costs	-	-	-
Training / Education	-	-	-
Indirect expenditures	-	-	6,275
Other	-	-	654
Total expenditures	<u>-</u>	<u>-</u>	<u>8,424</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>37,713</u>	<u>61,756</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	(146,127)	(146,127)
Total other financing sources (uses)	<u>-</u>	<u>(146,127)</u>	<u>(146,127)</u>
Net changes in fund balances	-	(108,414)	(84,371)
Fund balances - January 1	<u>(1,618)</u>	<u>108,414</u>	<u>133,602</u>
Fund balances - December 31	<u>\$ (1,618)</u>	<u>\$ -</u>	<u>\$ 49,231</u>

See accompanying independent auditor's report and notes to financial statements.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL
 SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
 DECEMBER 31, 2015

	Land, Non- Depreciable Infrastructure and Construction in Progress	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures Equipment & Vehicles	Infrastructure	Total
Administration	\$ -	\$ -	\$ 246,321	\$ -	\$ 246,321
Environmental	-	2,200	278,718	2,353,122	2,634,040
Cultural/Museum	55,341	-	9,400	-	64,741
Health Center	-	6,232,287	363,605	-	6,595,892
Fire Department	-	-	429,499	-	429,499
Police Department	-	473,311	808,073	-	1,281,384
Public Works	-	40,800	1,158,743	6,672,551	7,872,094
Tribe-wide	135,000	1,663,229	214,668	1,245,995	3,258,892
Warden Service	-	5,000	220,811	-	225,811
Wastewater	-	3,338,000	1,637,081	8,846,577	13,821,658
Youth & Rec	-	2,638,196	119,897	-	2,758,093
Total General Capital Assets	190,341	14,393,023	5,486,816	19,118,245	39,188,425
Less: Accumulated Depreciation	-	(8,191,615)	(3,989,245)	(7,682,445)	(19,863,305)
Net General Capital Assets	\$ 190,341	\$ 6,201,408	\$ 1,497,571	\$ 11,435,800	\$ 19,325,120

See accompanying independent auditor's report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>General Capital Assets 01/01/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Capital Assets 12/31/15</u>
Administration	\$ 246,321	\$ -	\$ -	\$ 246,321
Environmental	2,609,690	24,350	-	2,634,040
Cultural/Museum	64,741	-	-	64,741
Health Center	6,595,892	-	-	6,595,892
Fire Department	429,499	-	-	429,499
Police Department	1,265,493	15,891	-	1,281,384
Public Works	7,665,960	206,134	-	7,872,094
Tribe-wide	3,258,892	-	-	3,258,892
Warden Service	225,811	-	-	225,811
Wastewater	13,749,388	72,270	-	13,821,658
Youth & Rec	<u>2,758,093</u>	<u>-</u>	<u>-</u>	<u>2,758,093</u>
Total General Capital Assets	38,869,780	318,645	-	39,188,425
Less: Accumulated Depreciation	<u>(18,764,958)</u>	<u>(1,098,347)</u>	<u>-</u>	<u>(19,863,305)</u>
Net General Capital Assets	<u>\$ 20,104,822</u>	<u>\$ (779,702)</u>	<u>\$ -</u>	<u>\$ 19,325,120</u>

See accompanying independent auditor’s report and notes to financial statements.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Number	Federal Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
Direct program:				
Woman, Infants, Children Grant	10.557	N/A	\$ 94,582	\$ -
Total U.S. Department of Agriculture			<u>94,582</u>	<u>-</u>
U.S. DEPARTMENT OF THE INTERIOR				
Direct Program:				
Consolidated tribal	15.021	N/A	1,280,773	-
Law enforcement	15.030	N/A	556,646	-
Road Maintenance	15.033	N/A	311,641	-
Historic Preservation Grant	15.904	N/A	<u>665</u>	<u>-</u>
Total U.S. Department of the Interior			<u>2,149,725</u>	<u>-</u>
U.S. DEPARTMENT OF JUSTICE				
Direct program:				
CTAS	16.587	N/A	<u>156,402</u>	<u>-</u>
Total U.S. Department of Justice			<u>156,402</u>	<u>-</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Direct program:				
State and Tribal Response Program	66.817	N/A	157,173	-
EPA Performance Partnership Grant	66.605	N/A	353,635	-
Air	66.034	N/A	110,827	-
EPA Standpipe	0.000	N/A	54,021	-
Clean water act	66.818	N/A	36,251	-
Hazardous waste	0.000	N/A	<u>33,011</u>	<u>-</u>
Total U.S. Environmental Protection Agency			<u>744,918</u>	<u>-</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Number	Federal Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES				
Direct Program:				
Indian Health Service MOA Grant	93.441	N/A	8,424	-
Indian Health Services Contract	93.228	N/A	4,239,458	-
Title VI - Older Americans Act Part A	93.047	N/A	82,310	82,310
Title VI - Older Americans Act Part C	93.054	N/A	17,804	17,804
Title VI - Older Americans Act Section 311	93.053	N/A	29,153	-
Special Diabetes Program	93.437	N/A	78,597	-
Title IV B	93.556	N/A	8,854	-
Title IV B	93.645	N/A	5,989	-
Community Services Block Grant	93.569	N/A	6,093	-
Child Care Development Fund	93.596	N/A	42,444	-
Family Violence Prevention	93.671	N/A	16,681	-
Liheap	93.568	N/A	489,592	-
Headstart	93.600	N/A	280,488	280,488
Total U.S. Department of Health & Human Services			<u>5,305,887</u>	<u>380,602</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Direct Program:				
Operation Stonegarden	97.067	N/A	2,480	-
Total U.S. Department of Homeland Security			<u>2,480</u>	<u>-</u>
TOTAL FEDERAL AWARDS EXPENDED			<u>\$ 8,451,514</u>	<u>\$ 380,602</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO SCHEDULE OF FEDERAL AWARDS
DECEMBER 31, 2015

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Pleasant Point Passamaquoddy Tribal Council under programs of the federal government for the year ended December 31, 2015. The information in this Schedule 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* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Pleasant Point Passamaquoddy Tribal Council, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Pleasant Point Passamaquoddy Tribal Council.

2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The Pleasant Point Passamaquoddy Tribal Council has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.



Proven Expertise and Integrity

INDEPENDENT AUDITORS' 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

Tribal Council
Pleasant Point Passamaquoddy Tribal Council
Perry, Maine

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 governmental activities, each major fund, and the aggregate remaining fund information of the Pleasant Point Passamaquoddy Tribal Council, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Pleasant Point Passamaquoddy Tribal Council's basic financial statements and have issued our report thereon October 21, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Pleasant Point Passamaquoddy Tribal 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 Pleasant Point Passamaquoddy Tribal Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Pleasant Point Passamaquoddy Tribal Council's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses (2015 - 3 through 2015 - 6).

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies (2015 - 1 and 2015 - 2).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Pleasant Point Passamaquoddy Tribal 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*.

We noted certain other matters that we reported to management of Pleasant Point Passamaquoddy Tribal Council in a separate letter dated December 1, 2016.

Pleasant Point Passamaquoddy Tribal Council's Response to Findings

Pleasant Point Passamaquoddy Tribal Council's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Pleasant Point Passamaquoddy Tribal Council's response, and accordingly, we express no opinion on it.

Purpose of this report

This purpose of this report is 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.

RHR Smith & Company

Buxton, Maine
October 21, 2016



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Tribal Council
Pleasant Point Passamaquoddy Tribal Council
Perry, Maine

Report on Compliance for Each Major Federal Program

We have audited Pleasant Point Passamaquoddy Tribal Council's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Pleasant Point Passamaquoddy Tribal Council's major federal programs for the year ended December 31, 2015. Pleasant Point Passamaquoddy Tribal Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Pleasant Point Passamaquoddy Tribal Council's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pleasant Point Passamaquoddy Tribal Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Pleasant Point Passamaquoddy Tribal Council's compliance.

Opinion on Each Major Federal Program

In our opinion, Pleasant Point Passamaquoddy Tribal 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 federal programs for the year ended December 31, 2015.

Other Matters

We noted certain other matters that we reported to management of the Pleasant Point Passamaquoddy Tribal Council in a separate letter dated October 21, 2016.

Report on Internal Control Over Compliance

Management of Pleasant Point Passamaquoddy Tribal 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 Pleasant Point Passamaquoddy Tribal Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Pleasant Point Passamaquoddy Tribal Council's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Pleasant Point Passamaquoddy Tribal 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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items (2015-3 through 2015-5) to be material weaknesses.

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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items (2015-1 and 2015-2) to be significant deficiencies.

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

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

RHR Smith & Company

Buxton, Maine
October 21, 2016

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

FINDINGS - FINANCIAL STATEMENT AUDIT – PRIOR

2014 - 1

Criteria: Generally Accepted Accounting Principles require that the Tribe maintain an adequate accounting system to account for the various activity of all Tribal business.

Condition: The Tribe maintains separate accounting records for certain offsite activity that is independent from the Tribal fiscal records maintained at the Tribal fiscal department for all other Tribal programs. These accounts are not tracked by the Tribal fiscal department nor are they subject to the same accounting procedures all other Tribal programs are.

Effect: Errors within the finances of the Tribe may occur in processing financial information and not be detected in a relatively reasonable period of time by the Tribe.

Recommendation: The Tribe needs to review how information is processed internally and evaluate for appropriateness. It is obvious to us that the flow of paperwork, policy and procedure, needs to be reviewed and in most cases updated or implemented to assist with a better flow of financial information and programming checking. The Tribe should consider putting this activity on its financial software (ADS) system.

Management

Response: Management agrees with this recommendation and is currently in the process of interfacing our outside accounting records with ADS.

2014 - 2

Criteria: Generally Accepted Accounting Principles require that the Tribe maintain appropriate backup for all expenditures.

Condition: During our audit we noted certain expenditures that did not have appropriate or adequate backup. It is important that all expenditures paid by the Tribe have authorization, backup and approval.

Effect: Expenditures may be paid that are neither authorized, approved nor appropriate.

Recommendation: The Tribe needs to review and implement procedures within the departments to ensure that all amounts presented for payment have had the appropriate authorization and are adequately documented.

Management

Response: Management agrees and has implemented a systematic process, within Finance, where all payables are reviewed for compliance, available funding, and appropriate backup and authorization before payment processing.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

CONTROL DEFICIENCIES – MATERIAL WEAKNESSES

2014 - 3 – CFDA #93.228

Criteria: Generally Accepted Accounting Principles require that the Tribe maintain an adequate accounting system to account for the various activity of all Tribal business.

Condition: The Tribal Health Service Department tracks and bills for all health services provided by the Tribe to the respective insurance carriers and paying sources. The Tribal Health Service Department does not provide a monthly accounting of these billing and outstanding billings to the Tribal Fiscal Department.

Effect: The Tribal financial statements for Health Services may be distorted by not having accurate or up to date financial information.

Recommendation: The Tribe needs to review how information is processed internally and evaluate for appropriateness. It is obvious to us that the flow of paperwork, policy and procedure, needs to be reviewed and in most cases updated or implemented to assist with a better flow of financial information and programming checking. The Tribal Health Service Department should provide the Tribal Finance Department with a detailed monthly accounting of all billing, receipts, write-offs and outstanding billing in the area of health services. These should be reconciled by the 21st by and with each department.

Management

Response: Management agrees with this recommendation and we are currently working with the Director of Health Services to implement a systematic process for all components of the billing cycle. Furthermore, this process will be done side by side with the Finance Department.

2014-4 - CFDA # 66.605

Criteria: OMB Circular A-87 requires that all costs paid for Federal awards are “reasonable” and further requires that expenditures be supported with proper documentation such as purchase orders and invoices.

Condition: While performing our test work for the above mentioned year for this program, it appears that an employee was paid out of “PPG” program funds for program travel. When reconciling these travel advances, it appears that the employee was reimbursed personally by the sponsoring organization of the trip for the same travel. This reimbursement was never turned over to the Tribe. This happened on numerous occasions within this program.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

CONTROL DEFICIENCIES – MATERIAL WEAKNESSES

2014- 4 - CFDA # 66.605(Continued)

Effect: While errors within this grant may occur in processing financial information and not be detected in a relatively reasonable period of time by the Tribe, it appears that this employee “double dipped” on travel expenses and used federal funds to do it. With the Tribe responsible for this grant, and receiving no reimbursement from the employee for these program expenses, the Tribe should seek all options to recover these reimbursements. We approximate the amount could be as high as \$10,000 for the year ended December 31, 2015.

Recommendation: The Tribe needs to review how information is processed internally and evaluate for appropriateness. The Tribe should consider verifying with all sponsoring organizations (by sampling to start) performing selected trainings or other program business seminars, the amounts, if any, paid directly to the Tribal employee attending the training or seminar.

Management

Response: Management agrees with this recommendation and the matter is currently in the hands of the Inspector General's Office for the EPA. We are redeveloping our travel policy to incorporate a mechanism to verify reimbursement from outside agencies.

2014- 5 - CFDA # 66.605

Criteria: OMB Circular A-87 requires that all costs paid for Federal awards are “reasonable” and further requires that expenditures be supported with proper documentation such as purchase orders and invoices.

Condition: While performing our test work for the above mentioned year for this program, it appears that an employee would attend conferences as either an attendee or conference speaker. If attending as a conference speaker, the employee would be compensated by the Tribe as compensation (not vacation time) which may have included overtime. The employee would also be reimbursed by the sponsoring organization personally for this time attending for the conference as a speaker. This reimbursement was never turned over to the Tribe.

Effect: While errors within this grant may occur in processing financial information and not be detected in a relatively reasonable period of time by the Tribe, it appears that this employee was able to be paid as direct compensation twice for a seminar. We could understand and consider if the employee used vacation time to attend, but that does not appear to be the case here. This, in our opinion, skews the amount of earned benefit time by the employee and charged to this grant. It appears that the employee had at year end approximately \$8,000 of earned but unpaid benefit time.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

CONTROL DEFICIENCIES – MATERIAL WEAKNESSES

2014- 5 - CFDA # 66.605 (Continued)

Recommendation: We recommend the Tribe not pay this benefit time to this employee until this matter is fully investigated. Furthermore, we recommend that the Tribe review its existing travel policy for adequacy and consider revising where necessary.

Management

Response: Management agrees with this recommendation and the matter is in the hands of the Inspector General's Office for the EPA. We are currently in the process of up-dating our current personnel policies.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

FINDINGS - FINANCIAL STATEMENT AUDIT – CURRENT

2015 – 1 (Repeat Finding)

Criteria: Generally Accepted Accounting Principles require that the Tribe maintain an adequate accounting system to account for the various activity of all Tribal business.

Condition: The Tribe maintains separate accounting records for certain offsite activity that is independent from the Tribal fiscal records maintained at the Tribal fiscal department for all other Tribal programs. These accounts are not tracked by the Tribal fiscal department nor are they subject to the same accounting procedures all other Tribal programs are.

Effect: Errors within the finances of the Tribe may occur in processing financial information and not be detected in a relatively reasonable period of time by the Tribe.

Recommendation: The Tribe needs to review how information is processed internally and evaluate for appropriateness. It is obvious to us that the flow of paperwork, policy and procedure, needs to be reviewed and in most cases updated or implemented to assist with a better flow of financial information and programming checking. The Tribe should consider putting this activity on its financial software (ADS) system.

Management

Response: Management agrees with this recommendation and is currently in the process of interfacing our outside accounting records with ADS.

2015 – 2 (Repeat Finding)

Criteria: Generally Accepted Accounting Principles require that the Tribe maintain appropriate backup for all expenditures.

Condition: During our audit we noted certain expenditures that did not have appropriate or adequate backup. It is important that all expenditures paid by the Tribe have authorization, backup and approval.

Effect: Expenditures may be paid that are neither authorized, approved nor appropriate.

Recommendation: The Tribe needs to review and implement procedures within the departments to ensure that all amounts presented for payment have had the appropriate authorization and are adequately documented.

Management

Response: Management agrees and has implemented a systematic process, within Finance, where all payables are reviewed for compliance, available funding, and appropriate backup and authorization before payment processing.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

CONTROL DEFICIENCIES – MATERIAL WEAKNESSES

2015 - 3 – CFDA #93.228 (Repeat Finding)

Criteria: Generally Accepted Accounting Principles require that the Tribe maintain an adequate accounting system to account for the various activity of all Tribal business.

Condition: The Tribal Health Service Department tracks and bills for all health services provided by the Tribe to the respective insurance carriers and paying sources. The Tribal Health Service Department does not provide a monthly accounting of these billing and outstanding billings to the Tribal Fiscal Department.

Effect: The Tribal financial statements for Health Services may be distorted by not having accurate or up to date financial information.

Recommendation: The Tribe needs to review how information is processed internally and evaluate for appropriateness. It is obvious to us that the flow of paperwork, policy and procedure, needs to be reviewed and in most cases updated or implemented to assist with a better flow of financial information and programming checking. The Tribal Health Service Department should provide the Tribal Finance Department with a detailed monthly accounting of all billing, receipts, write-offs and outstanding billing in the area of health services. These should be reconciled by the 21st by and with each department.

Management

Response: Management agrees with this recommendation and we are currently working with the Director of Health Services to implement a systematic process for all components of the billing cycle. Furthermore, this process will be done side by side with the Finance Department.

2015 - 4 – CFDA #93.228

Criteria: OMB Circular A-87 provides for the Tribe to maintain an adequate accounting system to account for the various activity of all Tribal business including allowable costs for the programs.

Condition: The Tribal Health Service Department paid expenditures for the waste water treatment plant under this contract. Tribal management was notified in writing by Indian Health Services that these would not be eligible costs.

Effect: The Tribal financial statements for Health Services were distorted with questioned costs for much of the year by not having accurate or up to date financial information.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

CONTROL DEFICIENCIES – MATERIAL WEAKNESSES (Continued)

2015 - 4 – CFDA #93.228 (Continued)

Recommendation: The Tribe needs to review how information is processed internally and evaluate for appropriateness. It is obvious to us that the flow of paperwork, policy and procedure, needs to be reviewed and in most cases updated or implemented to assist with a better flow of financial information and programming checking. Furthermore, the Tribe needs to make appropriate accounting entries to remove these questioned cost from the program and charge off to other discretionary funding.

Management

Response: Management agrees with this recommendation and during the audit process, reclassified these questioned costs to other eligible cost centers. Management is still trying to understand how these costs were originally charged to the program to begin with when it had been notified in advance the costs would not be allowed.

2015 - 5 – CFDA #93.228

Criteria: OMB Circular A-87 provides for the Tribe to maintain an adequate accounting system to account for the various activity of all Tribal business including allowable costs for the programs.

Condition: The Tribal Health Service Department paid expenditures for gift cards under this contract. We believe based on regulatory guidance that gift cards are not eligible expenditures.

Effect: The Tribal financial statements for Health Services may be distorted with questioned costs.

Recommendation: The Tribe needs to review how information is processed internally and evaluate for appropriateness. It is obvious to us that the flow of paperwork, policy and procedure, needs to be reviewed and in most cases updated or implemented to assist with a better flow of financial information and programming checking.

Management

Response: Management agrees with this recommendation and will work with Finance and Administration to implement procedures to ensure that appropriate costs are charges to the programs in the future. Management is also working on a new chart of accounts which will help monitor costs to ensure they are allowable and allocated properly.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

2015 - 6 – CFDA #93.568

Criteria: Program Guidance including various Federal circulars provides require the Tribe to maintain an adequate client intake system to determine program eligibility including an accounting system to account for the various activity of all Tribal business including allowable costs for Federal the program.

Condition: Upon initial review of the LIHEAP program during the audit, the Tribe could not locate required documentation to support the payments of program benefits.

Effect: The Tribal was potentially at risk of issuing benefits to non-eligible clients.

Recommendation: The Tribe needs to review how information is processed internally and evaluate for appropriateness. It is obvious to us that the flow of paperwork, policy and procedure, needs to be reviewed and in most cases updated or implemented to assist with a better flow of intake and financial information and programming checking. It should be known, upon reviewing the matter with Tribal management during the audit, corrective action was taken to our satisfaction to rectify the matter.

Management

Response: Management agrees with this recommendation and has already worked to implement procedures to ensure adequate documentation will be collected and maintained for previous as well as future client records.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Section I - Summary of Auditor's Results

• *Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted? yes no

• *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

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

Any audit findings disclosed that are required to be reported
In accordance with section OMB Compliance Supplement? yes no

Identification of major programs:

Name of Federal Program or Cluster

1)	Consolidated Programs	CFDA#	15.021
2)	Indian Health Services Grants	CFDA#	93.228
3)	LIHEAP	CFDA#	93.568

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

2015-1 and 2015-2

Section III – Federal Awards Findings and Questioned Costs

2015-3 through 2015-6