

Federal Compliance Audit
and Other Financial Information

Pleasant Point Passamaquoddy Tribal
Council

December 31, 2016



Proven Expertise and Integrity

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

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DECEMBER 31, 2016

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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, 2016, and the related notes to the financial statements, which collectively comprise the Pleasant Point Passamaquoddy Tribal 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

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, 2016, 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 and capital asset schedules 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, capital asset schedules 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, capital asset schedules 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 September 28, 2017, 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
September 28, 2017

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

(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, 2016. 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 funds balance sheet and the governmental funds 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 \$3,877,436 from \$23.70 million to \$19.82 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 \$(244,661) at the end of this year.

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

	2016	2015
Assets		
Current Assets	\$ 2,360,992	\$ 4,482,947
Capital Assets	18,115,954	19,325,120
Total Assets	20,476,946	23,808,067
Liabilities		
Current Liabilities	500,701	37,082
Long-term Debt Outstanding	152,744	70,048
Total Liabilities	653,445	107,130
Net Position		
Net Investment in Capital Assets	18,115,954	19,325,120
Restricted: Special Revenue	1,917,730	3,085,338
Capital Projects	34,478	57,055
Unrestricted	(244,661)	1,233,424
Total Net Position	\$ 19,823,501	\$ 23,700,937

Revenues and Expenses

Most of the revenues were consistent with the prior year. Changes in intergovernmental reflected changes in funding sources. Other revenue decreased while intergovernmental and charges for services increased.

The expenses were increased by \$1.7 million which was due mostly to health services, other general programs and public safety.

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

	<u>2016</u>	<u>2015</u>
Revenues		
<i>Program revenues:</i>		
Charges for services	\$ 2,079,227	\$ 1,946,189
Operating grants and contributions	9,039,908	8,861,128
<i>General revenues:</i>		
Other intergovernmental	6,369	3,374
Investment income	(3,917)	19,340
Excise taxes	67,099	65,574
Other revenue	831,448	1,001,384
Total Revenues	<u>12,020,134</u>	<u>11,896,989</u>
Expenses		
General tribal operations	3,322,303	3,594,923
Health services	7,285,120	6,094,182
BIA programs	2,565,517	2,537,149
Public safety programs	413,287	2,480
Environmental programs	694,368	728,663
Other general programs	1,425,145	998,654
Capital projects	50,954	8,424
Unallocated depreciation (Note 4)	140,876	182,023
Total Expenses	<u>15,897,570</u>	<u>14,146,498</u>
Change in Net Position	(3,877,436)	(2,249,509)
Net Position - January 1	<u>23,700,937</u>	<u>25,950,446</u>
Net Position - December 31	<u>\$ 19,823,501</u>	<u>\$ 23,700,937</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>2016</u>	<u>2015</u>
General Fund:		
Unassigned	\$ 25,182	\$ 1,130,713
Total General Fund	<u>\$ 25,182</u>	<u>\$ 1,130,713</u>
Other Major Funds:		
BIA		
Restricted	\$ 986,931	\$ 499,490
Indian Health Services		
Nonspendable	226,708	261,238
Restricted	-	396,183
Unassigned	(257,950)	-
Health Services Third Party	608,925	1,665,896
Total Major Funds	<u>\$ 1,564,614</u>	<u>\$ 2,822,807</u>
Other Nonmajor Funds:		
Special Revenue		
Restricted	\$ 321,874	\$ 523,769
Unassigned	(70,890)	(80,655)
Capital Projects		
Restricted	34,478	57,055
Unassigned	(14,967)	(7,824)
Total Nonmajor Funds	<u>\$ 270,495</u>	<u>\$ 492,345</u>

The general fund total fund balance decreased by \$1,105,531 over the prior fiscal year. BIA increased by \$487,441, Indian Health Services decreased by \$688,663 not including transfers, and Health Services Third Party decreased \$1,056,971. The nonmajor fund balances decreased by \$221,850 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 \$419,408. This was mostly a result of Passamaquoddy Wild income and charges for services that were received under budget. The expenditures were under budget by \$46,466. This was the net effect of many expenditures categories being over budget for the year while several were underspent.

Capital Asset and Debt Administration

Capital Assets

As of December 31, 2016, the net book value of capital assets recorded by the Council decreased by \$1,209,166 from the prior year. This decrease is the result of capital additions of \$46,000 less current year depreciation expense of \$1,091,036 and net disposals of \$164,130.

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

	<u>2016</u>	<u>2015</u>
Land and improvements	\$ 254,485	\$ 270,263
Buildings and improvements	5,353,641	5,857,492
Machinery and equipment	866,906	953,091
Vehicles	677,379	721,228
Art works and historical treasures / CIP	55,341	55,341
Infrastructure	<u>10,908,202</u>	<u>11,467,705</u>
Total	<u>\$ 18,115,954</u>	<u>\$ 20,104,822</u>

Economic Factors and Next Year's Budgets and Rates

The Council's unassigned fund balance has not 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). During Fiscal Year 2017 the Tribe is addressing the operational fund balance issue and has put in place procedures to cure spending in excess of revenues.

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, 2016

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,627,864
Investments	149,551
Accounts receivable (net of allowance for uncollectibles):	
Grants	26,638
Other	330,231
Inventory	226,708
Total current assets	<u>2,360,992</u>
Noncurrent assets:	
Capital assets	
Land, infrastructure, and other assets not being depreciated	190,341
Buildings and vehicles, net of accumulated depreciation	17,925,613
Total noncurrent assets	<u>18,115,954</u>
Total assets	<u><u>\$ 20,476,946</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 500,701
Total current liabilities	<u>500,701</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Accrued compensated absences	152,744
Total noncurrent liabilities	<u>152,744</u>
Total liabilities	<u>653,445</u>
NET POSITION	
Net investment in capital assets	18,115,954
Restricted: Special Revenue	1,917,730
Capital Projects	34,478
Unrestricted	(244,661)
Total net position	<u>19,823,501</u>
Total liabilities and net position	<u><u>\$ 20,476,946</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, 2016

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	\$ 3,322,303	\$ 275,777	\$ 37,905	\$ -	\$ (3,008,621)
Health services	7,285,120	1,803,450	4,020,148	-	(1,461,522)
BIA programs	2,565,517	-	2,700,844	-	135,327
Environmental programs	694,368	-	647,746	-	(46,622)
Public safety programs	413,287	-	410,267	-	(3,020)
Other general programs	1,425,145	-	1,193,297	-	(231,848)
Capital projects	50,954	-	-	29,701	(21,253)
Unallocated depreciation (Note 4)	140,876	-	-	-	(140,876)
Total governmental activities	<u>\$ 15,897,570</u>	<u>\$ 2,079,227</u>	<u>\$ 9,010,207</u>	<u>\$ 29,701</u>	<u>(4,778,435)</u>

STATEMENT B (CONTINUED)
PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Governmental Activities</u>
Changes In net position:	
Net (expense) revenue	<u>(4,778,435)</u>
General revenues:	
Intergovernmental	6,369
Investment income	(3,917)
Excise	67,099
Other	<u>831,448</u>
Total general revenues	<u>900,999</u>
Change in net position	(3,877,436)
Net position - January 1	<u>23,700,937</u>
Net position - December 31	<u><u>\$ 19,823,501</u></u>

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

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	General Fund	BIA	Indian Health Services	Health Services Third Party	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 1,627,864	\$ -	\$ -	\$ -	\$ -	\$ 1,627,864
Investments	149,551	-	-	-	-	149,551
Accounts receivable (net of allowance for uncollectibles):						
Grants	-	-	-	-	26,638	26,638
Other	62,884	-	-	267,347	-	330,231
Inventory	-	-	226,708	-	-	226,708
Due from other funds	329,988	986,931	-	646,331	376,489	2,339,739
Total assets	<u>\$ 2,170,287</u>	<u>\$ 986,931</u>	<u>\$ 226,708</u>	<u>\$ 913,678</u>	<u>\$ 403,127</u>	<u>\$ 4,700,731</u>
LIABILITIES AND FUND BALANCES (DEFICITS)						
LIABILITIES						
Accounts payable	\$ 135,354	\$ -	\$ 49,132	\$ 304,753	\$ 11,462	\$ 500,701
Due to other funds	2,009,751	-	208,818	-	121,170	2,339,739
Total liabilities	<u>2,145,105</u>	<u>-</u>	<u>257,950</u>	<u>304,753</u>	<u>132,632</u>	<u>2,840,440</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	226,708	-	-	226,708
Restricted	-	986,931	-	608,925	356,352	1,952,208
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	25,182	-	(257,950)	-	(85,857)	(318,625)
Total fund balances (deficits)	<u>25,182</u>	<u>986,931</u>	<u>(31,242)</u>	<u>608,925</u>	<u>270,495</u>	<u>1,860,291</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,170,287</u>	<u>\$ 986,931</u>	<u>\$ 226,708</u>	<u>\$ 913,678</u>	<u>\$ 403,127</u>	<u>\$ 4,700,731</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, 2016

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 1,860,291
<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>	18,115,954
<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>(152,744)</u>
Net position of governmental activities	<u><u>\$ 19,823,501</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, 2016

	General Fund	BIA Programs	Indian Health Services	Health Services Third Party	Nonmajor Funds	Total Governmental Funds
REVENUES						
State of Maine	\$ 37,905	\$ -	\$ -	\$ -	\$ -	\$ 37,905
Tero tax	6,369	-	-	-	-	6,369
Indirect income	952,996	-	-	-	-	952,996
Federal grants	-	2,700,844	3,586,478	-	2,645,224	8,932,546
State grants	-	-	-	-	69,457	69,457
Charges for services	275,777	-	-	1,803,450	-	2,079,227
Investment income, net	(3,917)	-	-	-	-	(3,917)
Excise taxes	67,099	-	-	-	-	67,099
Reimbursements	46,974	-	-	-	-	46,974
Other	746,298	-	-	-	38,176	784,474
Total revenues	<u>2,129,501</u>	<u>2,700,844</u>	<u>3,586,478</u>	<u>1,803,450</u>	<u>2,752,857</u>	<u>12,973,130</u>
EXPENDITURES						
Current:						
Salaries	1,467,900	923,357	1,810,965	271,693	637,288	5,111,203
Fringe Benefits	434,162	241,615	484,974	76,157	180,695	1,417,603
Travel	37,575	41,305	27,974	57,022	80,537	244,413
Insurance	65,634	-	-	-	-	65,634
Supplies / Postage	55,194	46,154	62,502	15,460	282,272	461,582
Medical supplies	-	-	433,956	472,158	-	906,114
Telephone / Utilities	100,714	39,529	53,084	24,670	561	218,558
Contractual services	37,055	98,179	193,036	943,750	1,071,372	2,343,392
Inpatient / Outpatient	-	-	842,854	658,530	-	1,501,384
Consulting	16,879	29,875	-	-	-	46,754
Program assistance	43,962	14,930	32,605	24,382	538,209	654,088
Equipment purchases	18,564	92,659	-	9,555	15,567	136,345
Equipment rental / maintenance	33,225	40,673	-	40,501	2,148	116,547
Elected officials	1,342	-	-	-	877	2,219
Rent	97,126	37,290	2,892	2,574	22,600	162,482
Vehicle costs	14,794	31,870	-	-	-	46,664
Training / education	1,997	4,382	-	-	8,479	14,858
Professional fees	133,962	10,956	-	-	-	144,918
Legal fees	259,716	-	-	-	-	259,716
Wastewater	196,678	-	-	-	-	196,678
Programs	30,362	275,071	-	-	-	305,433
Security	19,775	2,584	-	-	1,815	24,174
Repairs and maintenance	41,943	-	-	-	-	41,943
Rubbish removal	25,438	-	-	-	-	25,438
Dues and subscriptions	-	-	-	35,219	-	35,219
Indirect expenses	-	238,738	304,837	225,000	104,631	873,206
Other expense	75,580	44,236	25,462	3,750	53,111	202,139
Total expenditures	<u>3,209,577</u>	<u>2,213,403</u>	<u>4,275,141</u>	<u>2,860,421</u>	<u>3,000,162</u>	<u>15,558,704</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,080,076)</u>	<u>487,441</u>	<u>(688,663)</u>	<u>(1,056,971)</u>	<u>(247,305)</u>	<u>(2,585,574)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	134,583	134,583
Transfers (out)	(25,455)	-	-	-	(109,128)	(134,583)
Total other financing sources (uses)	<u>(25,455)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,455</u>	<u>-</u>
Net changes in fund balances (deficits)	(1,105,531)	487,441	(688,663)	(1,056,971)	(221,850)	(2,585,574)
FUND BALANCES (DEFICITS) - JANUARY 1	<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>
FUND BALANCES (DEFICITS) - DECEMBER 31	<u>\$ 25,182</u>	<u>\$ 986,931</u>	<u>\$ (31,242)</u>	<u>\$ 608,925</u>	<u>\$ 270,495</u>	<u>\$ 1,860,291</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, 2016

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (2,585,574)</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 activities report depreciation expense allocated those expenditures over the life of the assets:	
Capital asset purchases	46,000
Capital asset disposals	(164,130)
Depreciation expense	<u>(1,091,036)</u>
	<u>(1,209,166)</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>(82,696)</u>
	<u>(82,696)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ (3,877,436)</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, 2016

	<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, 2016

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 No. 61.

Implementation of New Accounting Standards

During the year ended December 31, 2016, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 72, "*Fair Value Measurement and Application*". The objective of the Statement is to expand comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will improve fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*". The objective of the Statement is to improve financial reporting by instituting a single framework for the presentation of information about pensions, thereby expanding the comparability of pension-related information reported by state and local governments. Management has determined that this Statement is not applicable.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*". The objective of this Statement is to identify-in the context of the current governmental financial reporting environment-the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 77, "*Tax Abatement Disclosures*". The objective of the Statement is to improve disclosure of information about the nature and magnitude of tax abatements, making these transactions more transparent to financial statement users. As such, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 79, "*Certain External Investment Pools and Pool Participants*". This Statement establishes specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

This Statement also establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. Management has determined the impact of this Statement is not material to the financial statements.

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).

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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:

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
- 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Receivables

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable were \$356,869 for the year ended June 30, 2017. The allowance for uncollectible amounts is estimated to be \$0 as of June 30, 2017.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 accrued 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.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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).

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating/Non-Operating Proprietary Fund Revenues

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

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, 2016, the Council's cash balances amounting to \$1,789,668 were

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

comprised of deposits of \$1,624,600. 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.

<u>Account Type</u>	<u>Bank Balance</u>
Checking / Sweep	\$ 1,526,924
Savings	97,676
	<u>\$ 1,624,600</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, 2016, the Council’s investments of \$149,551 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	\$ 149,551	\$ -	\$ 149,551
	<u>\$ 149,551</u>	<u>\$ -</u>	<u>\$ 149,551</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, 2016

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2016 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General Fund	\$ 329,988	\$ 2,009,751
BIA Fund	986,931	-
Indian Health Services Fund	-	208,818
Health Services Third Party Fund	646,331	-
Non-major Special Revenue Funds	330,549	106,203
Non-major Capital Projects Funds	45,940	14,967
	<u>\$ 2,339,739</u>	<u>\$ 2,339,739</u>

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2016:

	<u>Balance 1/1/16</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/16</u>
<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	-	(586,178)	7,712,623
Building improvements	5,785,229	-	-	5,785,229
Machinery & equipment	2,899,059	-	-	2,899,059
Vehicles	2,587,757	46,000	-	2,633,757
Infrastructure	19,118,245	-	-	19,118,245
	<u>38,998,084</u>	<u>46,000</u>	<u>(586,178)</u>	<u>38,457,906</u>
Less: accumulated depreciation	<u>(19,863,305)</u>	<u>(1,091,036)</u>	<u>422,048</u>	<u>(20,532,293)</u>
	<u>19,134,779</u>	<u>(1,045,036)</u>	<u>(164,130)</u>	<u>17,925,613</u>
Net capital assets	<u>\$ 19,325,120</u>	<u>\$ (1,045,036)</u>	<u>\$ (164,130)</u>	<u>\$ 18,115,954</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Current year depreciation:

Administration	\$ 30,030
Environmental	111,677
Health Services	159,849
Fire Department	7,172
Police Department	21,957
Public Works	196,510
Tribe-wide	140,876
Warden Service	4,133
Wastewater	365,213
Youth & Rec	<u>53,619</u>
 Total depreciation expenses	 <u><u>\$ 1,091,036</u></u>

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:

	<u>Balance, 1/1/16</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/16</u>	<u>Current Portion</u>
Accrued compensated absences	\$ 70,048	\$ 82,696	\$ -	\$ 152,744	\$ -
Totals	<u>\$ 70,048</u>	<u>\$ 82,696</u>	<u>\$ -</u>	<u>\$ 152,744</u>	<u>\$ -</u>

NOTE 6 - NONSPENDABLE FUND BALANCES

At December 31, 2016, the following fund balance has been classified as nonspendable:

Indian Health Services Fund: Inventory	<u><u>\$ 226,708</u></u>
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PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 7 - RESTRICTED FUND BALANCES

At December 31, 2016, the following fund balances have been restricted by the Council:

BIA fund	\$ 986,931
Health Services Third Party fund	608,925
Nonmajor Special revenue funds (Schedule C)	321,874
Nonmajor Capital projects funds (Schedule P)	34,478
	<u>\$ 1,952,208</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.

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, 2016. 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.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 11 - OVERSPENT APPROPRIATIONS

The following appropriations were exceeded by actual expenditures:

Salaries	\$	155,265
Fringe benefits		101,687
Insurance		76
Telephone / Utilities		7,833
Consulting		1,711
Rent		92,743
Professional fees		34,144
Legal fees		64,453
Security		14,494
Rubbish removal		25,438
Transfers		25,455
		<u>523,299</u>
	\$	<u>523,299</u>

NOTE 12 - DEFICIT FUND BALANCES

The following funds have deficit fund balances for the year ended December 31, 2016:

Indian Health Services	\$	31,242
Stonegarden		8,997
Liheap		34,667
Title IV B		2,057
CCDF		3,489
PPR SASP		6,700
MCF Raised Bed		57
Family Violence Protection		371
CTAS 14		14,552
MOA 11-E14		596
Rural Development Tech Asst		1,841
Rural Development Master Plan		12,530
		<u>117,099</u>
	\$	<u>117,099</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 - RENTAL AGREEMENTS

The Tribe has various operational rental agreements with the Housing Authority and other entities.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 14 - 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, 2016 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 15 - 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, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, January 1	\$ 1,130,713	\$ 1,130,713	\$ 1,130,713	\$ -
Resources (Inflows)				
Intergovernmental	1,025,247	1,025,247	997,270	(27,977)
Charges for services	504,498	504,498	275,777	(228,721)
Investment income	4,432	4,432	15,168	10,736
Excise taxes	71,596	71,596	67,099	(4,497)
Unrealized gain/(loss) on investments, net	-	-	(19,085)	(19,085)
Reimbursements	-	-	46,974	46,974
Other income	685,151	685,151	746,298	61,147
Passamoquoddy Wild income	257,985	257,985	-	(257,985)
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>3,679,622</u>	<u>3,679,622</u>	<u>3,260,214</u>	<u>(419,408)</u>
Charges to Appropriations (Outflows):				
Salaries	1,312,635	1,312,635	1,467,900	(155,265)
Fringe benefits	332,475	332,475	434,162	(101,687)
Travel	98,618	98,618	37,575	61,043
Insurance	65,558	65,558	65,634	(76)
Supplies/postage	102,057	102,057	55,194	46,863
Telephone/utilities	92,881	92,881	100,714	(7,833)
Contractual services	187,983	187,983	37,055	150,928
Consulting	15,168	15,168	16,879	(1,711)
Program assistance	57,187	57,187	43,962	13,225
Equipment purchases	88,080	88,080	18,564	69,516
Equipment rental/maintenance	43,453	43,453	33,225	10,228
Elected officials	1,960	1,960	1,342	618
Rent	4,383	4,383	97,126	(92,743)
Vehicle costs	19,138	19,138	14,794	4,344
Training/education	5,499	5,499	1,997	3,502
Professional fees	99,818	99,818	133,962	(34,144)
Legal fees	195,263	195,263	259,716	(64,453)
Wastewater distribution costs	231,467	231,467	196,678	34,789
Programs	95,773	95,773	30,362	65,411
Security	5,281	5,281	19,775	(14,494)
Repairs and maintenance	59,220	59,220	41,943	17,277
Rubbish removal	-	-	25,438	(25,438)
Other expense	167,601	167,601	75,580	92,021
Transfers to other funds	-	-	25,455	(25,455)
Total Charges to Appropriation	<u>3,281,498</u>	<u>3,281,498</u>	<u>3,235,032</u>	<u>46,466</u>
Budgetary Fund Balance, December 31	<u>\$ 398,124</u>	<u>\$ 398,124</u>	<u>\$ 25,182</u>	<u>\$ (372,942)</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, 2016

	Special Revenue Funds	Capital Projects Funds	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles):			
Grants	26,638	-	26,638
Other	-	-	-
Due from other funds	330,549	45,940	376,489
Travel advances	-	-	-
Other assets	-	-	-
Total assets	<u>\$ 357,187</u>	<u>\$ 45,940</u>	<u>\$ 403,127</u>
LIABILITIES			
Accounts payable	\$ -	\$ 11,462	\$ 11,462
Due to other funds	106,203	14,967	121,170
Total liabilities	<u>106,203</u>	<u>26,429</u>	<u>132,632</u>
FUND BALANCES			
Restricted	321,874	34,478	356,352
Unassigned	<u>(70,890)</u>	<u>(14,967)</u>	<u>(85,857)</u>
Total fund balances	<u>250,984</u>	<u>19,511</u>	<u>270,495</u>
Total liabilities and fund balances	<u>\$ 357,187</u>	<u>\$ 45,940</u>	<u>\$ 403,127</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, 2016

	Special Revenue Funds	Capital Projects Funds	Total
REVENUES			
Intergovernmental revenue:			
Federal grants	\$ 2,615,523	\$ 29,701	\$ 2,645,224
State grants	69,457	-	69,457
Other income	38,176	-	38,176
Total revenues	<u>2,723,156</u>	<u>29,701</u>	<u>2,752,857</u>
EXPENDITURES			
Current:			
Salaries	632,895	4,393	637,288
Fringe benefits	179,581	1,114	180,695
Travel	80,537	-	80,537
Supplies/postage	282,272	-	282,272
Telephone/utilities	561	-	561
Contractual services	1,040,293	31,079	1,071,372
Equipment purchases	1,429	14,138	15,567
Equipment rental/maintenance	2,148	-	2,148
Rent	22,600	-	22,600
Vehicle costs	877	-	877
Program assistance	538,209	-	538,209
Training/education	8,479	-	8,479
Security	1,815	-	1,815
Indirect expenditures	104,401	230	104,631
Other	53,111	-	53,111
Total expenditures	<u>2,949,208</u>	<u>50,954</u>	<u>3,000,162</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(226,052)</u>	<u>(21,253)</u>	<u>(247,305)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	127,355	7,228	134,583
Transfers (out)	(93,433)	(15,695)	(109,128)
Total other financing sources (uses)	<u>33,922</u>	<u>(8,467)</u>	<u>25,455</u>
Net changes in fund balances	(192,130)	(29,720)	(221,850)
Fund balances - January 1	<u>443,114</u>	<u>49,231</u>	<u>492,345</u>
Fund balances - December 31	<u>\$ 250,984</u>	<u>\$ 19,511</u>	<u>\$ 270,495</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, 2016

	<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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles):						
Grants	-	-	781	-	25,857	26,638
Due from other funds	1,190	245,745	-	38,784	44,830	330,549
Total assets	<u>\$ 1,190</u>	<u>\$ 245,745</u>	<u>\$ 781</u>	<u>\$ 38,784</u>	<u>\$ 70,687</u>	<u>\$ 357,187</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	34,667	-	9,778	-	61,758	106,203
Total liabilities	<u>34,667</u>	<u>-</u>	<u>9,778</u>	<u>-</u>	<u>61,758</u>	<u>106,203</u>
FUND BALANCES (DEFICITS)						
Restricted	1,190	245,745	-	38,784	36,155	321,874
Unassigned	(34,667)	-	(8,997)	-	(27,226)	(70,890)
Total fund balances (deficits)	<u>(33,477)</u>	<u>245,745</u>	<u>(8,997)</u>	<u>38,784</u>	<u>8,929</u>	<u>250,984</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,190</u>	<u>\$ 245,745</u>	<u>\$ 781</u>	<u>\$ 38,784</u>	<u>\$ 70,687</u>	<u>\$ 357,187</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, 2016

	HHS	Other Health Services	Public Safety	Environ- mental	Other	Total
REVENUES						
Intergovernmental revenue:						
Federal grants	\$ 370,388	\$ 63,282	\$ 410,267	\$ 647,746	\$ 1,123,840	\$ 2,615,523
State grants	-	-	-	-	69,457	69,457
Other income	-	-	-	60	38,116	38,176
Total revenues	<u>370,388</u>	<u>63,282</u>	<u>410,267</u>	<u>647,806</u>	<u>1,231,413</u>	<u>2,723,156</u>
EXPENDITURES						
Current:						
Salaries	31,302	-	9,781	257,763	334,049	632,895
Fringe benefits	3,711	-	5,907	64,770	105,193	179,581
Travel	-	1,761	-	37,914	40,862	80,537
Supplies/postage	251	26,960	-	39,280	215,781	282,272
Telephone/utilities	561	-	-	-	-	561
Contractual services	7,368	55,049	395,849	149,736	432,291	1,040,293
Equipment purchases	-	429	-	1,000	-	1,429
Program assistance	350,812	4,325	-	-	183,072	538,209
Equipment rental/maintenance	-	1,881	-	267	-	2,148
Rent	13,500	-	-	-	9,100	22,600
Vehicle costs	-	-	-	877	-	877
Training/education	-	49	-	5,596	2,834	8,479
Security	-	-	-	-	1,815	1,815
Indirect expenditures	-	21,587	1,054	64,162	17,598	104,401
Other	-	-	696	25,488	26,927	53,111
Total expenditures	<u>407,505</u>	<u>112,041</u>	<u>413,287</u>	<u>646,853</u>	<u>1,369,522</u>	<u>2,949,208</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(37,117)</u>	<u>(48,759)</u>	<u>(3,020)</u>	<u>953</u>	<u>(138,109)</u>	<u>(226,052)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	16,543	110,812	127,355
Transfers (out)	-	-	-	(38,214)	(55,219)	(93,433)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,671)</u>	<u>55,593</u>	<u>33,922</u>
Net changes in fund balances (deficits)	(37,117)	(48,759)	(3,020)	(20,718)	(82,516)	(192,130)
Fund balances (deficits) - January 1	<u>3,640</u>	<u>294,504</u>	<u>(5,977)</u>	<u>59,502</u>	<u>91,445</u>	<u>443,114</u>
Fund balances (deficits) - December 31	<u>\$ (33,477)</u>	<u>\$ 245,745</u>	<u>\$ (8,997)</u>	<u>\$ 38,784</u>	<u>\$ 8,929</u>	<u>\$ 250,984</u>

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

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - HHS
DECEMBER 31, 2016

	<u>IMLS</u> <u>150</u>	<u>CSBG</u> <u>477</u>	<u>LIHEAP</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles):				
Grants	-	-	-	-
Due from other funds	10	1,180	-	1,190
 Total assets	<u>\$ 10</u>	<u>\$ 1,180</u>	<u>\$ -</u>	<u>\$ 1,190</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	34,667	34,667
 Total liabilities	<u>-</u>	<u>-</u>	<u>34,667</u>	<u>34,667</u>
FUND BALANCES (DEFICITS)				
Restricted	10	1,180	-	1,190
Unassigned	-	-	(34,667)	(34,667)
 Total fund balances (deficits)	<u>10</u>	<u>1,180</u>	<u>(34,667)</u>	<u>(33,477)</u>
 Total liabilities and fund balances (deficits)	<u>\$ 10</u>	<u>\$ 1,180</u>	<u>\$ -</u>	<u>\$ 1,190</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, 2016

	USET Diabetes 560	MEHAF	Team Heal Faster	HC Renv Stimulus	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles):					
Grants	-	-	-	-	-
Due from other funds	<u>202,510</u>	<u>1,500</u>	<u>11</u>	<u>41,724</u>	<u>245,745</u>
Total assets	<u><u>\$ 202,510</u></u>	<u><u>\$ 1,500</u></u>	<u><u>\$ 11</u></u>	<u><u>\$ 41,724</u></u>	<u><u>\$ 245,745</u></u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Restricted	202,510	1,500	11	41,724	245,745
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>202,510</u>	<u>1,500</u>	<u>11</u>	<u>41,724</u>	<u>245,745</u>
Total liabilities and fund balances (deficits)	<u><u>\$ 202,510</u></u>	<u><u>\$ 1,500</u></u>	<u><u>\$ 11</u></u>	<u><u>\$ 41,724</u></u>	<u><u>\$ 245,745</u></u>

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

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - PUBLIC SAFETY
DECEMBER 31, 2016

	Imminent Threat	Stonegarden 205	HEWX0100 208	2006 VRGX0004 417	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles):					
Grants	781	-	-	-	781
Due from other funds	-	-	-	-	-
Total assets	\$ 781	\$ -	\$ -	\$ -	\$ 781
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	-
Due to other funds	781	8,997	-	-	9,778
Total liabilities	781	8,997	-	-	9,778
FUND BALANCES (DEFICITS)					
Restricted	-	-	-	-	-
Unassigned	-	(8,997)	-	-	(8,997)
Total fund balances (deficits)	-	(8,997)	-	-	(8,997)
Total liabilities and fund balances (deficits)	\$ 781	\$ -	\$ -	\$ -	\$ 781

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

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - ENVIRONMENTAL
DECEMBER 31, 2016

	<u>Kinetic Energy 819</u>	<u>Fuel Production 829</u>	<u>Brownfields</u>	<u>Brownfields 6 837</u>	<u>Brownfields 5 835</u>	<u>AIR 08 831</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles):						
Grants	-	-	-	-	-	-
Due from other funds	-	-	-	-	2,375	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,375</u>	<u>\$ -</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Restricted	-	-	-	-	2,375	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,375</u>	<u>-</u>
Total liabilities and fund balances (deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,375</u>	<u>\$ -</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - ENVIRONMENTAL
DECEMBER 31, 2016

	<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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles):						
Grants	-	-	-	-	-	-
Due from other funds	-	-	3,059	-	-	28,544
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,544</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted	-	-	3,059	-	-	28,544
Unassigned	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>3,059</u>	<u>-</u>	<u>-</u>	<u>28,544</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,544</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - ENVIRONMENTAL
DECEMBER 31, 2016

	CWA 827	RGGI Energy	TSCA 2007 820	Sea Wall 839	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles):					
Grants	-	-	-	-	-
Due from other funds	-	-	-	4,806	38,784
Total assets	\$ -	\$ -	\$ -	\$ 4,806	\$ 38,784
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	-	-	-	-	-
FUND BALANCES					
Restricted	-	-	-	4,806	38,784
Unassigned	-	-	-	-	-
Total fund balances	-	-	-	4,806	38,784
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ 4,806	\$ 38,784

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

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - OTHER PROGRAMS
DECEMBER 31, 2016

	<u>St. Croix Fish Ladder</u>	<u>Title IV B</u>	<u>Elderly Title VI</u>	<u>Headstart</u>	<u>Museum</u>	<u>ME CCD</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles):						
Grants	-	-	-	-	-	-
Due from other funds	4,415	-	-	-	2,263	-
Total assets	<u>\$ 4,415</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,263</u>	<u>\$ -</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	2,057	-	-	-	-
Total liabilities	<u>-</u>	<u>2,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Restricted	4,415	-	-	-	2,263	-
Unassigned	-	(2,057)	-	-	-	-
Total fund balances (deficits)	<u>4,415</u>	<u>(2,057)</u>	<u>-</u>	<u>-</u>	<u>2,263</u>	<u>-</u>
Total liabilities and fund balances (deficits)	<u>\$ 4,415</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,263</u>	<u>\$ -</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - OTHER PROGRAMS
DECEMBER 31, 2016

	<u>CCDF</u>	<u>PPR SASP</u>	<u>WIC</u>	<u>Ind Living</u>	<u>WIA</u>	<u>MCF Raised Bed</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles):						
Grants	-	-	-	-	-	-
Due from other funds	-	-	-	435	5,662	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 435</u>	<u>\$ 5,662</u>	<u>\$ -</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	3,489	6,700	-	-	-	57
Total liabilities	<u>3,489</u>	<u>6,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57</u>
FUND BALANCES (DEFICITS)						
Restricted	-	-	-	435	5,662	-
Unassigned	(3,489)	(6,700)	-	-	-	(57)
Total fund balances (deficits)	<u>(3,489)</u>	<u>(6,700)</u>	<u>-</u>	<u>435</u>	<u>5,662</u>	<u>(57)</u>
Total liabilities and fund balances (deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 435</u>	<u>\$ 5,662</u>	<u>\$ -</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - OTHER PROGRAMS
DECEMBER 31, 2016

	<u>Fish Hatchery</u>	<u>St Croix Watershed</u>	<u>P.R. Unrestricted</u>	<u>PPR SASP</u>	<u>MCF Schoodic RK</u>	<u>State General Assistance</u>	<u>FVPS</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles):							
Grants	-	-	-	-	-	7,907	-
Due from other funds	-	-	153	6,045	9,778	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153</u>	<u>\$ 6,045</u>	<u>\$ 9,778</u>	<u>\$ 7,907</u>	<u>\$ -</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	7,907	371
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,907</u>	<u>371</u>
FUND BALANCES (DEFICITS)							
Restricted	-	-	153	6,045	9,778	-	-
Unassigned	-	-	-	-	-	-	(371)
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>153</u>	<u>6,045</u>	<u>9,778</u>	<u>-</u>	<u>(371)</u>
Total liabilities and fund balances (deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153</u>	<u>\$ 6,045</u>	<u>\$ 9,778</u>	<u>\$ 7,907</u>	<u>\$ -</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - OTHER PROGRAMS
DECEMBER 31, 2016

	<u>G16 MECWSS</u>	<u>G16 MEFPSS</u>	<u>Title IVB</u>	<u>Food Sov</u>	<u>Wabanaki JNV Diabetes</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles):					
Grants	-	-	-	-	-
Due from other funds	-	-	560	11,927	600
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 560</u>	<u>\$ 11,927</u>	<u>\$ 600</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	144	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>144</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	-	-	416	11,927	600
Unassigned	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>416</u>	<u>11,927</u>	<u>600</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 560</u>	<u>\$ 11,927</u>	<u>\$ 600</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET - OTHER PROGRAMS
DECEMBER 31, 2016

	<u>Project Launch</u>	<u>TWLG</u>	<u>TWG</u>	<u>G17</u>	<u>CTAS</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles):						
Grants	17,950	-	-	-	-	25,857
Due from other funds	-	2,992	-	-	-	44,830
Total assets	<u>\$ 17,950</u>	<u>\$ 2,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,687</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	17,950	-	-	-	14,552	61,758
Total liabilities	<u>17,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,552</u>	<u>61,758</u>
FUND BALANCES (DEFICITS)						
Restricted	-	2,992	-	-	-	36,155
Unassigned	-	-	-	-	(14,552)	(27,226)
Total fund balances (deficits)	<u>-</u>	<u>2,992</u>	<u>-</u>	<u>-</u>	<u>(14,552)</u>	<u>8,929</u>
Total liabilities and fund balances (deficits)	<u>\$ 17,950</u>	<u>\$ 2,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,687</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, 2016

	<u>IMLS</u>	<u>CSBG</u>	<u>LIHEAP</u>	<u>Total</u>
REVENUES				
Intergovernmental revenue:				
Federal grants	\$ -	\$ 7,368	\$ 363,020	\$ 370,388
State grants	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>-</u>	<u>7,368</u>	<u>363,020</u>	<u>370,388</u>
EXPENDITURES				
Current:				
Salaries	-	-	31,302	31,302
Fringe benefits	-	-	3,711	3,711
Travel	-	-	-	-
Insurance	-	-	-	-
Supplies / Postage	-	-	251	251
Telephone / Utilities	-	-	561	561
Contractual services	-	7,368	-	7,368
Equipment purchases	-	-	-	-
Rent	-	-	13,500	13,500
Program assistance	-	-	350,812	350,812
Equipment rental / Maintenance	-	-	-	-
Training / Education	-	-	-	-
Indirect expenditures	-	-	-	-
Other	-	-	-	-
Total expenditures	<u>-</u>	<u>7,368</u>	<u>400,137</u>	<u>407,505</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(37,117)</u>	<u>(37,117)</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	-	-	(37,117)	(37,117)
Fund balances - January 1	<u>10</u>	<u>1,180</u>	<u>2,450</u>	<u>3,640</u>
Fund balances - December 31	<u>\$ 10</u>	<u>\$ 1,180</u>	<u>\$ (34,667)</u>	<u>\$ (33,477)</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, 2016

	<u>Health Services</u>	<u>Third Party</u>	<u>Total</u>
EXPENDITURES			
Current:			
Salaries	\$ 1,810,965	\$ 271,693	\$ 2,082,658
Fringe benefits	484,974	76,157	561,131
Travel	27,974	57,022	84,996
Supplies/postage	62,502	15,460	77,962
Medical supplies	433,956	472,158	906,114
Telephone/utilities	53,084	24,670	77,754
Contractual services	193,036	943,750	1,136,786
Professional services	-	-	-
Inpatient/outpatient	842,854	658,530	1,501,384
Equipment purchases	32,605	24,382	56,987
Equipment rental/maintenance	-	9,555	9,555
Rent	-	40,501	40,501
Training/education	2,892	2,574	5,466
Dues and subscriptions	-	35,219	35,219
Indirect expenditures	304,837	225,000	529,837
Other	25,462	3,750	29,212
Total expenditures	<u>\$ 4,275,141</u>	<u>\$ 2,860,421</u>	<u>\$ 7,135,562</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, 2016

	USET Diabetes	USET Stop Smoking	Team Heal Faster	HC Renv Stimulus	Total
REVENUES					
Intergovernmental revenue:					
Federal grants	\$ 61,782	\$ 1,500	\$ -	\$ -	\$ 63,282
State grants	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	<u>61,782</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>63,282</u>
EXPENDITURES					
Current:					
Salaries	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Travel	1,761	-	-	-	1,761
Supplies/postage	26,960	-	-	-	26,960
Telephone/utilities	-	-	-	-	-
Contractual services	46,859	-	-	8,190	55,049
Equipment purchases	429	-	-	-	429
Program assistance	4,325	-	-	-	4,325
Equipment rental/maintenance	1,881	-	-	-	1,881
Training/education	49	-	-	-	49
Indirect expenditures	21,587	-	-	-	21,587
Other	-	-	-	-	-
Total expenditures	<u>103,851</u>	<u>-</u>	<u>-</u>	<u>8,190</u>	<u>112,041</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,069)</u>	<u>1,500</u>	<u>-</u>	<u>(8,190)</u>	<u>(48,759)</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	(42,069)	1,500	-	(8,190)	(48,759)
Fund balances - January 1	<u>244,579</u>	<u>-</u>	<u>11</u>	<u>49,914</u>	<u>294,504</u>
Fund balances - December 31	<u>\$ 202,510</u>	<u>\$ 1,500</u>	<u>\$ 11</u>	<u>\$ 41,724</u>	<u>\$ 245,745</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, 2016

	<u>Imminent Threat</u>	<u>Stonegarden</u>	<u>HEWX0100</u>	<u>2006 VRGX0004</u>	<u>Total</u>
REVENUES					
Intergovernmental revenue:					
Federal grants	\$ 410,267	\$ -	\$ -	\$ -	\$ 410,267
State grants	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	<u>410,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>410,267</u>
EXPENDITURES					
Current:					
Salaries	7,084	2,697	-	-	9,781
Fringe benefits	5,584	323	-	-	5,907
Travel	-	-	-	-	-
Supplies/postage	-	-	-	-	-
Telephone/utilities	-	-	-	-	-
Contractual services	395,849	-	-	-	395,849
Equipment purchases	-	-	-	-	-
Program assistance	-	-	-	-	-
Equipment rental/maintenance	-	-	-	-	-
Training/education	-	-	-	-	-
Indirect expenditures	1,054	-	-	-	1,054
Other	696	-	-	-	696
Total expenditures	<u>410,267</u>	<u>3,020</u>	<u>-</u>	<u>-</u>	<u>413,287</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(3,020)</u>	<u>-</u>	<u>-</u>	<u>(3,020)</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 (deficits)	-	(3,020)	-	-	(3,020)
Fund balances (deficits) - January 1	<u>-</u>	<u>(5,977)</u>	<u>-</u>	<u>-</u>	<u>(5,977)</u>
Fund balances (deficits) - December 31	<u>\$ -</u>	<u>\$ (8,997)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,997)</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, 2016

	<u>EPA Standpipe</u>	<u>Fuel Production 829</u>	<u>Brownfields 7</u>	<u>Brownfields 2</u>	<u>Fed RP 0042</u>	<u>AIR</u>
REVENUES						
Intergovernmental revenue:						
Federal grants	\$ -	\$ (18,187)	\$ -	\$ 124,836	\$ 21,556	\$ 23,174
State grants	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>(18,187)</u>	<u>-</u>	<u>124,836</u>	<u>21,556</u>	<u>23,174</u>
EXPENDITURES						
Current:						
Salaries	-	-	-	42,903	12,825	15,082
Fringe benefits	-	-	-	13,174	3,735	2,670
Travel	-	-	-	1,270	-	-
Supplies/postage	-	-	-	2,379	37	1,022
Telephone/utilities	-	-	-	-	-	-
Contractual services	-	-	-	61,760	-	-
Equipment purchases	-	-	-	-	-	-
Program assistance	-	-	-	-	-	-
Equipment rental/maintenance	-	-	-	-	-	-
Training/education	-	-	-	-	-	-
Vehicle expenses	-	-	-	-	-	-
Indirect expenditures	-	-	-	6,474	2,584	1,814
Other	-	31	-	-	-	-
Total expenditures	<u>-</u>	<u>31</u>	<u>-</u>	<u>127,960</u>	<u>19,181</u>	<u>20,588</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(18,218)</u>	<u>-</u>	<u>(3,124)</u>	<u>2,375</u>	<u>2,586</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	(979)	-	(1,328)	-	-	(2,747)
Total other financing sources (uses)	<u>(979)</u>	<u>-</u>	<u>(1,328)</u>	<u>-</u>	<u>-</u>	<u>(2,747)</u>
Net changes in fund balances	(979)	(18,218)	(1,328)	(3,124)	2,375	(161)
Fund balances - January 1	<u>979</u>	<u>18,218</u>	<u>1,328</u>	<u>3,124</u>	<u>-</u>	<u>161</u>
Fund balances - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,375</u>	<u>\$ -</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 ENVIRONMENTAL
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>AIR</u> <u>12</u> <u>834</u>	<u>AIR</u> <u>13</u> <u>836</u>	<u>PPG</u> <u>12</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	\$ -	\$ 73,208	\$ 32,738	\$ 50,621	\$ (17,078)	\$ 231,700
State grants	-	-	-	-	-	-
Other income	-	-	-	-	-	60
Total revenues	<u>-</u>	<u>73,208</u>	<u>32,738</u>	<u>50,621</u>	<u>(17,078)</u>	<u>231,760</u>
EXPENDITURES						
Current:						
Salaries	-	45,201	16,670	23,539	-	96,161
Fringe benefits	-	9,802	3,744	6,754	-	24,270
Travel	-	3,475	1,869	7,237	-	24,063
Supplies/postage	-	5,456	1,894	3,621	-	21,883
Telephone/utilities	-	-	-	-	-	-
Contractual services	-	385	2,498	-	-	300
Equipment purchases	-	-	-	-	-	1,000
Program assistance	-	-	-	-	-	-
Equipment rental/maintenance	-	-	-	-	-	267
Training/education	-	-	-	-	-	120
Vehicle expenses	-	-	-	33	-	844
Indirect expenditures	-	9,164	2,628	5,714	-	35,736
Other	-	-	457	-	-	-
Total expenditures	<u>-</u>	<u>73,483</u>	<u>29,760</u>	<u>46,898</u>	<u>-</u>	<u>204,644</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(275)</u>	<u>2,978</u>	<u>3,723</u>	<u>(17,078)</u>	<u>27,116</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	194	-	-	16,349	-
Transfers (out)	(109)	-	(12,626)	(3,723)	-	-
Total other financing sources (uses)	<u>(109)</u>	<u>194</u>	<u>(12,626)</u>	<u>(3,723)</u>	<u>16,349</u>	<u>-</u>
Net changes in fund balances	(109)	(81)	(9,648)	-	(729)	27,116
Fund balances - January 1	<u>109</u>	<u>81</u>	<u>12,707</u>	<u>-</u>	<u>729</u>	<u>1,428</u>
Fund balances - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,544</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, 2016

	CWA	Hazardous Waste	TSCA 2007	Sea Wall	Total
REVENUES					
Intergovernmental revenue:					
Federal grants	\$ 69,747	\$ -	\$ -	\$ 55,431	\$ 647,746
State grants	-	-	-	-	-
Other income	-	-	-	-	60
Total revenues	<u>69,747</u>	<u>-</u>	<u>-</u>	<u>55,431</u>	<u>647,806</u>
EXPENDITURES					
Current:					
Salaries	-	-	-	5,382	257,763
Fringe benefits	-	-	-	621	64,770
Travel	-	-	-	-	37,914
Supplies/postage	2,988	-	-	-	39,280
Telephone/utilities	-	-	-	-	-
Contractual services	61,175	-	-	23,618	149,736
Equipment purchases	-	-	-	-	1,000
Program assistance	-	-	-	-	-
Equipment rental/maintenance	-	-	-	-	267
Training/education	5,476	-	-	-	5,596
Vehicle expenses	-	-	-	-	877
Indirect expenditures	-	-	-	48	64,162
Other	-	-	-	25,000	25,488
Total expenditures	<u>69,639</u>	<u>-</u>	<u>-</u>	<u>54,669</u>	<u>646,853</u>
Excess (deficiency) of revenues over (under) expenditures	<u>108</u>	<u>-</u>	<u>-</u>	<u>762</u>	<u>953</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	16,543
Transfers (out)	(157)	-	(16,545)	-	(38,214)
Total other financing sources (uses)	<u>(157)</u>	<u>-</u>	<u>(16,545)</u>	<u>-</u>	<u>(21,671)</u>
Net changes in fund balances	(49)	-	(16,545)	762	(20,718)
Fund balances - January 1	<u>49</u>	<u>-</u>	<u>16,545</u>	<u>4,044</u>	<u>59,502</u>
Fund balances - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,806</u>	<u>\$ 38,784</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, 2016

	St. Croix Fish Ladder	Title IV B	Elderly Title VI	Headstart	Museum	ME CCD
REVENUES						
Intergovernmental revenue:						
Federal grants	\$ -	\$ 446	\$ 133,751	\$ 283,935	\$ -	\$ -
State grants	-	-	-	-	-	-
Other income	24,016	-	-	-	-	-
Total revenues	<u>24,016</u>	<u>446</u>	<u>133,751</u>	<u>283,935</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Current:						
Salaries	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-
Travel	402	-	-	-	-	-
Supplies/postage	19,199	163	83,523	-	-	-
Telephone/utilities	-	-	-	-	-	-
Contractual services	-	-	73,139	283,935	-	-
Equipment purchases	-	-	-	-	-	-
Program assistance	-	1,499	-	-	-	-
Equipment rental/maintenance	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Training/education	-	-	-	-	-	-
Security	-	-	-	-	-	-
Indirect expenditures	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total expenditures	<u>19,601</u>	<u>1,662</u>	<u>156,662</u>	<u>283,935</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,415</u>	<u>(1,216)</u>	<u>(22,911)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	79,801	-	-	-
Transfers (out)	-	-	-	-	-	(55,219)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>79,801</u>	<u>-</u>	<u>-</u>	<u>(55,219)</u>
Net changes in fund balances (deficits)	4,415	(1,216)	56,890	-	-	(55,219)
Fund balances (deficits) - January 1	-	(841)	(56,890)	-	2,263	55,219
Fund balances (deficits) - December 31	<u>\$ 4,415</u>	<u>\$ (2,057)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,263</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, 2016

	CCDF	PPR SASP	WIC	Ind Living	WIA	MCF Raised Bed
REVENUES						
Intergovernmental revenue:						
Federal grants	\$ 61,754	\$ -	\$ 83,941	\$ -	\$ 11,614	\$ -
State grants	-	3,268	-	-	-	-
Other income	-	-	-	-	-	-
Total revenues	<u>61,754</u>	<u>3,268</u>	<u>83,941</u>	<u>-</u>	<u>11,614</u>	<u>-</u>
EXPENDITURES						
Current:						
Salaries	-	-	18,664	-	5,433	-
Fringe benefits	-	-	8,276	-	696	-
Travel	800	1,490	828	-	-	-
Supplies/postage	-	621	60,492	-	-	-
Telephone/utilities	-	-	-	-	-	-
Contractual services	-	-	-	-	-	6,746
Equipment purchases	-	-	-	-	-	-
Program assistance	64,385	338	-	6,662	-	-
Equipment rental/maintenance	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Training/education	-	2,834	-	-	-	-
Security	-	-	-	-	-	-
Indirect expenditures	-	-	-	-	-	-
Other	-	60	-	299	2,222	-
Total expenditures	<u>65,185</u>	<u>5,343</u>	<u>88,260</u>	<u>6,961</u>	<u>8,351</u>	<u>6,746</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,431)</u>	<u>(2,075)</u>	<u>(4,319)</u>	<u>(6,961)</u>	<u>3,263</u>	<u>(6,746)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	4,319	-	-	-
Transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,319</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances (deficits)	(3,431)	(2,075)	-	(6,961)	3,263	(6,746)
Fund balances (deficits) - January 1	<u>(58)</u>	<u>(4,625)</u>	<u>-</u>	<u>7,396</u>	<u>2,399</u>	<u>6,689</u>
Fund balances (deficits) - December 31	<u>\$ (3,489)</u>	<u>\$ (6,700)</u>	<u>\$ -</u>	<u>\$ 435</u>	<u>\$ 5,662</u>	<u>\$ (57)</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - OTHER PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Fish Hatchery</u>	<u>St Croix Watershed</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>
REVENUES							
Intergovernmental revenue:							
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,547
State grants	-	-	-	-	-	66,189	-
Other income	-	14,000	100	-	-	-	-
Total revenues	<u>-</u>	<u>14,000</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>66,189</u>	<u>17,547</u>
EXPENDITURES							
Current:							
Salaries	-	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-	-
Travel	-	-	449	-	2,001	-	406
Supplies/postage	-	-	-	-	132	-	203
Telephone/utilities	-	-	-	-	-	-	-
Contractual services	46,250	9,800	-	-	6,500	-	-
Equipment purchases	-	-	-	-	-	-	-
Program assistance	-	-	824	-	-	92,881	3,295
Equipment rental/maintenance	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	9,100
Training/education	-	-	-	-	-	-	-
Security	-	-	-	-	-	-	1,815
Indirect expenditures	-	-	-	-	-	-	818
Other	-	4,200	-	-	-	-	2,281
Total expenditures	<u>46,250</u>	<u>14,000</u>	<u>1,273</u>	<u>-</u>	<u>8,633</u>	<u>92,881</u>	<u>17,918</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,250)</u>	<u>-</u>	<u>(1,173)</u>	<u>-</u>	<u>(8,633)</u>	<u>(26,692)</u>	<u>(371)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	26,692	-
Transfers (out)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,692</u>	<u>-</u>
Net changes in fund balances (deficits)	(46,250)	-	(1,173)	-	(8,633)	-	(371)
Fund balances (deficits) - January 1	<u>46,250</u>	<u>-</u>	<u>1,326</u>	<u>6,045</u>	<u>18,411</u>	<u>-</u>	<u>-</u>
Fund balances (deficits) - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153</u>	<u>\$ 6,045</u>	<u>\$ 9,778</u>	<u>\$ -</u>	<u>\$ (371)</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - OTHER PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2016

	G16 MECWSS	G16 MEFPSS	Title IVB	Food Sov	Wabanaki JNV Diabetes
REVENUES					
Intergovernmental revenue:					
Federal grants	\$ 281	\$ 656	\$ 1,216	\$ -	\$ -
State grants	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	<u>281</u>	<u>656</u>	<u>1,216</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current:					
Salaries	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Travel	281	56	800	-	-
Supplies/postage	-	-	-	5,546	1,500
Telephone/utilities	-	-	-	-	-
Contractual services	-	-	-	300	-
Equipment purchases	-	-	-	-	-
Program assistance	-	600	-	-	-
Equipment rental/maintenance	-	-	-	-	-
Rent	-	-	-	-	-
Training/education	-	-	-	-	-
Security	-	-	-	-	-
Indirect expenditures	-	-	-	-	-
Other	-	-	-	-	-
Total expenditures	<u>281</u>	<u>656</u>	<u>800</u>	<u>5,846</u>	<u>1,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>416</u>	<u>(5,846)</u>	<u>(1,500)</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	-	-	416	(5,846)	(1,500)
Fund balances - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,773</u>	<u>2,100</u>
Fund balances - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 416</u>	<u>\$ 11,927</u>	<u>\$ 600</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - OTHER PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Project Launch	TWLG	TWG	G17	CTAS	Total
REVENUES						
Intergovernmental revenue:						
Federal grants	\$ 246,866	\$ 112,167	\$ 4,158	\$ -	\$ 165,508	\$ 1,123,840
State grants	-	-	-	-	-	69,457
Other income	-	-	-	-	-	38,116
Total revenues	<u>246,866</u>	<u>112,167</u>	<u>4,158</u>	<u>-</u>	<u>165,508</u>	<u>1,231,413</u>
EXPENDITURES						
Current:						
Salaries	124,140	65,894	3,059	-	116,859	334,049
Fringe benefits	48,062	15,427	1,069	-	31,663	105,193
Travel	21,336	2,670	-	-	9,343	40,862
Supplies/postage	39,689	4,278	-	-	435	215,781
Telephone/utilities	-	-	-	-	-	-
Contractual services	-	1,243	-	-	4,378	432,291
Equipment purchases	-	-	-	-	-	-
Program assistance	-	-	-	-	12,588	183,072
Equipment rental/maintenance	-	-	-	-	-	-
Rent	-	-	-	-	-	9,100
Training/education	-	-	-	-	-	2,834
Security	-	-	-	-	-	1,815
Indirect expenditures	-	16,780	-	-	-	17,598
Other	13,639	-	-	-	4,226	26,927
Total expenditures	<u>246,866</u>	<u>106,292</u>	<u>4,128</u>	<u>-</u>	<u>179,492</u>	<u>1,369,522</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>5,875</u>	<u>30</u>	<u>-</u>	<u>(13,984)</u>	<u>(138,109)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	110,812
Transfers (out)	-	-	-	-	-	(55,219)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,593</u>
Net changes in fund balances (deficits)	-	5,875	30	-	(13,984)	(82,516)
Fund balances (deficits) - January 1	<u>-</u>	<u>(2,883)</u>	<u>(30)</u>	<u>-</u>	<u>(568)</u>	<u>91,445</u>
Fund balances (deficits) - December 31	<u>\$ -</u>	<u>\$ 2,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,552)</u>	<u>\$ 8,929</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, 2016

	MOA NS-11-D22	MOA 11-E13	MOA NS-12-D30	MOA NS-09-S17 Stimulus	MOA NS 09-M07	MOA 10-E11
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivables (net of allowance for uncollectibles):						
Grants	-	-	-	-	-	-
Due from other funds	-	-	6,938	2,387	25,153	-
Total assets	\$ -	\$ -	\$ 6,938	\$ 2,387	\$ 25,153	\$ -
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
FUND BALANCES						
Restricted	-	-	6,938	2,387	25,153	-
Unassigned	-	-	-	-	-	-
Total fund balances	-	-	6,938	2,387	25,153	-
Total liabilities and fund balances	\$ -	\$ -	\$ 6,938	\$ 2,387	\$ 25,153	\$ -

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2016

	MOA NS -11 -E-14	Rural Dev Master Plan Year 1	Rural Development HC Equip	Rural Dev Police	Rural Dev Technical Asst	Rural Development Tech Assist
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivables (net of allowance for uncollectibles):						
Grants	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	596	12,530	-	-	-	1,841
Total liabilities	596	12,530	-	-	-	1,841
FUND BALANCES (DEFICITS)						
Restricted	-	-	-	-	-	-
Unassigned	(596)	(12,530)	-	-	-	(1,841)
Total fund balances (deficits)	(596)	(12,530)	-	-	-	-
Total liabilities and fund balances (deficits)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,841

SCHEDULE P (CONTINUED)
PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2016

	Rural Development Cuspes Park 2	Rural Development Cuspes Park 2	BIA Road Projects	Totals
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts receivables (net of allowance for uncollectibles):				
Grants	-	-	-	-
Due from other funds	11,462	-	-	45,940
Total assets	\$ 11,462	\$ -	\$ -	\$ 45,940
LIABILITIES				
Accounts payable	\$ 11,462	\$ -	\$ -	11,462
Due to other funds	-	-	-	14,967
Total liabilities	11,462	-	-	26,429
FUND BALANCES				
Restricted	-	-	-	34,478
Unassigned	-	-	-	(14,967)
Total fund balances	-	-	-	19,511
Total liabilities and fund balances	\$ 11,462	\$ -	\$ -	\$ 45,940

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, 2016

	<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>	<u>MOA</u> <u>NS-10-HP2</u>	<u>MOA</u> <u>NS -11 -E-14</u>
REVENUES						
Intergovernmental revenue:						
Federal grants	\$ 6,180	\$ -	\$ 9,692	\$ -	\$ -	\$ 2,367
State grants	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Total revenues	<u>6,180</u>	<u>-</u>	<u>9,692</u>	<u>-</u>	<u>-</u>	<u>2,367</u>
EXPENDITURES						
Current:						
Salaries	-	-	-	-	-	-
Fringe benefits	-	-	-	-	-	-
Travel	-	-	-	-	-	-
Supplies/postage	-	-	-	-	-	-
Telephone/utilities	-	-	-	-	-	-
Contractual services	6,000	-	10,252	-	-	2,297
Equipment purchases	-	-	-	-	-	-
Program assistance	-	-	-	-	-	-
Equipment rental/maintenance	-	-	-	-	-	-
Training/education	-	-	-	-	-	-
Indirect expenditures	180	-	-	-	-	50
Other	-	-	-	-	-	-
Total expenditures	<u>6,180</u>	<u>-</u>	<u>10,252</u>	<u>-</u>	<u>-</u>	<u>2,347</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(560)</u>	<u>-</u>	<u>-</u>	<u>20</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	5,610	-	-	-	-	-
Transfers (out)	-	(135)	-	-	-	(20)
Total other financing sources (uses)	<u>5,610</u>	<u>(135)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20)</u>
Net changes in fund balances (deficits)	5,610	(135)	(560)	-	-	-
Fund balances (deficits) - January 1	(5,610)	135	7,498	2,387	25,153	-
Fund balances (deficits) - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,938</u>	<u>\$ 2,387</u>	<u>\$ 25,153</u>	<u>\$ -</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, 2016

	<u>MOA</u> <u>NS 03 HD6</u>	<u>MOA</u> <u>NS 11-E14</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>
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	-	-	-	-	-	4,393
Fringe benefits	-	-	-	-	-	1,114
Travel	-	-	-	-	-	-
Supplies/postage	-	-	-	-	-	-
Telephone/utilities	-	-	-	-	-	-
Contractual services	-	12,530	-	-	-	-
Equipment purchases	-	-	-	2,676	-	-
Program assistance	-	-	-	-	-	-
Equipment rental/maintenance	-	-	-	-	-	-
Training/education	-	-	-	-	-	-
Indirect expenditures	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>12,530</u>	<u>-</u>	<u>2,676</u>	<u>-</u>	<u>5,507</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(12,530)</u>	<u>-</u>	<u>(2,676)</u>	<u>-</u>	<u>(5,507)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	(4,016)	-	(1,674)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,016)</u>	<u>-</u>	<u>(1,674)</u>	<u>-</u>
Net changes in fund balances (deficits)	-	(12,530)	(4,016)	(2,676)	(1,674)	(5,507)
Fund balances (deficits) - January 1	<u>(596)</u>	<u>-</u>	<u>4,016</u>	<u>2,676</u>	<u>1,674</u>	<u>3,666</u>
Fund balances (deficits) - December 31	<u>\$ (596)</u>	<u>\$ (12,530)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,841)</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, 2016

	<u>Rural Development Lift Station</u>	<u>Rural Development Comm Center</u>	<u>Rural Development Cuspes Park 2</u>	<u>Totals</u>
REVENUES				
Intergovernmental revenue:				
Federal grants	\$ 11,462	\$ -	\$ -	\$ 29,701
State grants	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>11,462</u>	<u>-</u>	<u>-</u>	<u>29,701</u>
EXPENDITURES				
Current:				
Salaries	-	-	-	4,393
Fringe benefits	-	-	-	1,114
Travel	-	-	-	-
Supplies/postage	-	-	-	-
Telephone/utilities	-	-	-	-
Contractual services	-	-	-	31,079
Equipment purchases	11,462	-	-	14,138
Program assistance	-	-	-	-
Equipment rental/maintenance	-	-	-	-
Vehicle costs	-	-	-	-
Training/education	-	-	-	-
Indirect expenditures	-	-	-	230
Other	-	-	-	-
Total expenditures	<u>11,462</u>	<u>-</u>	<u>-</u>	<u>50,954</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,253)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,618	7,228
Transfers (out)	-	(9,850)	-	(15,695)
Total other financing sources (uses)	<u>-</u>	<u>(9,850)</u>	<u>1,618</u>	<u>(8,467)</u>
Net changes in fund balances (deficits)	-	(9,850)	1,618	(29,720)
Fund balances (deficits) - January 1	<u>-</u>	<u>9,850</u>	<u>(1,618)</u>	<u>49,231</u>
Fund balances (deficits) - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,511</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, 2016

	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 Services	-	5,008,722	363,605	-	5,372,327
Fire Department	-	-	429,499	-	429,499
Police Department	-	473,311	808,073	-	1,281,384
Public Works	-	80,800	1,174,743	6,672,551	7,928,094
Tribe-wide	135,000	2,260,616	214,668	1,245,995	3,856,279
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	149,897	-	2,788,093
Total General Capital Assets	190,341	13,806,845	5,532,816	19,118,245	38,648,247
Less: Accumulated Depreciation	-	(8,755,767)	(3,566,483)	(8,210,043)	(20,532,293)
Net General Capital Assets	\$ 190,341	\$ 5,051,078	\$ 1,966,333	\$ 10,908,202	\$ 18,115,954

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, 2016

	<u>General Capital Assets 1/1/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Capital Assets 12/31/16</u>
Administration	\$ 246,321	\$ -	\$ -	\$ 246,321
Environmental	2,634,040	-	-	2,634,040
Cultural/Museum	64,741	-	-	64,741
Health Services	5,372,327	-	-	5,372,327
Fire Department	429,499	-	-	429,499
Police Department	1,281,384	-	-	1,281,384
Public Works	7,912,094	16,000	-	7,928,094
Tribe-wide	4,442,457	-	(586,178)	3,856,279
Warden Service	225,811	-	-	225,811
Wastewater	13,821,658	-	-	13,821,658
Youth & Rec	2,758,093	30,000	-	2,788,093
Total General Capital Assets	39,188,425	46,000	(586,178)	38,648,247
Less: Accumulated Depreciation	<u>(19,863,305)</u>	<u>(1,091,036)</u>	<u>422,048</u>	<u>(20,532,293)</u>
Net General Capital Assets	<u>\$ 19,325,120</u>	<u>\$ (1,045,036)</u>	<u>\$ (164,130)</u>	<u>\$ 18,115,954</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, 2016

Federal Grantor Pass Through Grantor Program/Cluster 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	\$ 83,941	\$ -
Total U.S. Department of Agriculture			<u>83,941</u>	<u>-</u>
U.S. DEPARTMENT OF HOUSING / URBAN DEV				
Direct program:				
Imminent Threat	14.218	N/A	410,267	-
Total U.S. Department of Housing / Urban Dev			<u>410,267</u>	<u>-</u>
U.S. DEPARTMENT OF THE INTERIOR				
Direct Program:				
Consolidated tribal	15.021	N/A	1,560,096	-
Law enforcement	15.030	N/A	475,445	-
Road Maintenance	15.033	N/A	177,862	-
St. Croix Watershed	15.663	N/A	14,000	-
Tribal Wildlife Grant	15.639	N/A	4,128	-
Tribal Wildlife Grant	15.639	N/A	106,292	-
Total U.S. Department of the Interior			<u>2,337,823</u>	<u>-</u>
U.S. DEPARTMENT OF JUSTICE				
Direct program:				
CTAS	16.587	N/A	165,508	-
Total U.S. Department of Justice			<u>165,508</u>	<u>-</u>
U.S. DEPARTMENT OF LABOR				
Passed through Penobscot Indian Nation				
WIA	17.277	N/A	8,351	-
Total U.S. Department of Labor			<u>8,351</u>	<u>-</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Direct program:				
State and Tribal Response Program	66.817	N/A	147,141	-
EPA Performance Partnership Grant	66.605	N/A	281,302	-
AIR 13	66.034	N/A	73,483	-
AIR 14	66.038	N/A	20,588	-
Seawall Project	66.458	N/A	54,669	-
CWA - Brownfield	66.818	N/A	69,639	-
Total U.S. Environmental Protection Agency			<u>646,822</u>	<u>-</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Federal Grantor Pass Through Grantor Program/Cluster 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	93.445	N/A	12,530	-
Indian Health Service MOA Grant	93.445	N/A	10,252	-
Indian Health Service MOA Grant	93.445	N/A	6,180	-
Indian Health Services Contract	93.228	N/A	4,275,141	-
Title VI - Older Americans Act Part A	93.047	N/A	95,246	95,246
Title VI - Older Americans Act Part C	93.054	N/A	14,901	14,901
Title VI - Older Americans Act Section 311	93.053	N/A	23,604	-
Special Diabetes Program	93.437	N/A	103,851	-
Title IV B	93.556	N/A	1,456	-
Title IV B	93.645	N/A	281	-
Community Services Block Grant	93.596	N/A	7,368	-
Child Care Development Fund	93.596	N/A	61,754	-
Family Violence Prevention	93.671	N/A	17,918	-
Liheap	93.568	N/A	400,137	-
Wabanaki Juv Diabetes	93.237	N/A	1,500	-
Headstart	93.600	N/A	283,935	283,935
Passed through Indian Township Tribal Govt Project Launch	93.243		246,866	-
Passed through State of Maine Independent Living	93.674		3,114	-
Total U.S. Department of Health & Human Services			<u>5,566,034</u>	<u>394,082</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Direct Program:				
Operation Stonegarden	97.067	N/A	3,020	-
Total U.S. Department of Homeland Security			<u>3,020</u>	<u>-</u>
TOTAL FEDERAL AWARDS EXPENDED			<u>\$ 9,221,766</u>	<u>\$ 394,082</u>

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

NOTES TO SCHEDULE OF FEDERAL AWARDS
DECEMBER 31, 2016

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, 2016. 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, 2016, 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 September 28, 2017.

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

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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 (2016 - 2 and 2016 - 3).

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 (2016 - 1).

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 September 28, 2017.

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.



Buxton, Maine
September 28, 2017



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, 2016. 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, 2016.

Other Matters

We noted certain other matters that we reported to management of the Pleasant Point Passamaquoddy Tribal Council in a separate letter dated September 28, 2017.

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 (2016-2 and 2016-3) 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 (2016-1) 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
September 28, 2017

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

FINDINGS - FINANCIAL STATEMENT AUDIT – PRIOR

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 PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

**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 PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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 PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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 CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

FINDINGS - FINANCIAL STATEMENT AUDIT – CURRENT

2016 – 1 (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, 2016

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

CONTROL DEFICIENCIES – MATERIAL WEAKNESSES

2016 - 2 – 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.

PLEASANT POINT PASSAMAQUODDY TRIBAL COUNCIL

SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

CONTROL DEFICIENCIES – MATERIAL WEAKNESSES (Continued)

2016 - 3 – 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 contractual services and other items that did not have complete and appropriate approval and backup. Although the expenditures were allowable under the contract, we believe the Tribe should follow internal procedures and regulatory guidance.

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 charged 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 FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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)	BIA Law Enforcement	CFDA#	15.030

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

2016-1

Section III – Federal Awards Findings and Questioned Costs

2016-2 and 2016-3