Association of Village Council Presidents

Financial Statements, Supplementary Information, and Single Audit Reports

Years Ended December 31, 2024 and 2023

The report accompanying these financial statements was issued by
BDO USA, P.C., a Virginia professional corporation, and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

Association of Village Council Presidents

Financial Statements, Supplementary Information,
and Single Audit Reports
Years Ended December 31, 2024 and 2023

Association of Village Council Presidents

Contents

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Independent Auditor's Report

Board of Directors
Association of Village Council Presidents
Bethel, Alaska

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Association of Village Council Presidents (the Association), which comprise the statements of financial position as of December 31, 2024, and 2023 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association of Village Council Presidents as of December 31, 2024 and 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining schedule of activities - corporate, combining schedule of expenses - general and administrative, schedules of revenues and expenses - budget to actual - Department of Health and Social Services Grants, and schedules of revenues and expenses - budget to actual - Department of Education and Early Development Grants are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, 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* schedule of state financial assistance, as required by *the State of Alaska Audit Guide and Compliance Supplement for State Single Audits* are presented for purposes of additional analysis and are not required parts of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2025 on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control over financial reporting and compliance.

BDO USA, P.C.

Anchorage , Alaska
October 14, 2025

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Financial Statements

Association of Village Council Presidents

Statements of Financial Position

December 31,		2024		2023
Assets				
Current Assets				
Cash and cash equivalents	$	33,311,032	$	35,342,682
Accrued interest		35,976		35,976
Accounts receivable		5,360,157		61,023
Accounts receivable - grants		10,854,891		5,690,878
Prepaids		504,101		794,015
Investments		44,923,871		42,876,863
Total Current Assets		94,990,028		84,801,437
Noncurrent assets:				
Property and equipment, net of accumulated depreciation		10,210,872		10,138,557
Collections		2,012,986		2,012,986
Total Assets	$	107,213,886	$	96,952,980
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	$	909,103	$	1,348,705
Accrued payroll and related liabilities		1,545,169		1,294,057
Deferred revenue		963,660		3,839,048
Total Current Liabilities		3,417,932		6,481,810
Note payable		1,100,000		1,100,000
Total Liabilities		4,517,932		7,581,810
Net Assets				
Without donor restrictions		26,089,474		16,699,639
With donor restrictions		76,606,480		72,671,531
Total Net Assets		102,695,954		89,371,170
Total Liabilities and Net Assets	$	107,213,886	$	96,952,980

See accompanying notes to financial statements.

Association of Village Council Presidents

Statements of Activities

Years Ended December 31,	2024 Without Donor Restrictions	2024 With Donor Restrictions	2024 Total	2023 Without Donor Restrictions	2023 With Donor Restrictions	2023 Total
Revenues						
Grants and contracts:						
Federal	$ 1,297,189	$ 54,734,355	$ 56,031,544	$ 6,283,286	$ 43,274,887	$ 49,558,173
State	8,695,079	68,386	8,763,465	6,968,368	79,610	7,047,978
Other	390,375	-	390,375	746,567	852,302	1,598,869
Investment income	2,326,363	-	2,326,363	778,111	-	778,111
Other revenues	5,449,757	-	5,449,757	110,633	-	110,633
Net assets released from restrictions	50,867,792	(50,867,792)	-	49,932,207	(49,932,207)	-
Total Revenues	69,026,555	3,934,949	72,961,504	64,819,172	(5,725,408)	59,093,764
Expenses						
Program services:						
Self-governance	40,937,317	-	40,937,317	37,214,124	-	37,214,124
Social services	14,058,320	-	14,058,320	18,572,326	-	18,572,326
Community services	5,459,591	-	5,459,591	5,251,009	-	5,251,009
Environmental	208,373	-	208,373	423,286	-	423,286
Total program services	60,663,601	-	60,663,601	61,460,745	-	61,460,745
Support services:						
General and administrative	11,411,570	-	11,411,570	10,440,277	-	10,440,277
Less indirect recovery	(12,438,451)	-	(12,438,451)	(8,205,003)	-	(8,205,003)
Total support services	(1,026,881)	-	(1,026,881)	2,235,274	-	2,235,274
Total Expenses	59,636,720	-	59,636,720	63,696,019	-	63,696,019
Change in net assets	9,389,835	3,934,949	13,324,784	1,123,153	(5,725,408)	(4,602,255)
Net Assets, beginning of year	16,699,639	72,671,531	89,371,170	15,576,486	78,396,939	93,973,425
Net Assets, end of year	$ 26,089,474	$ 76,606,480	$ 102,695,954	$ 16,699,639	$ 72,671,531	$ 89,371,170

See accompanying notes to financial statements.

Association of Village Council Presidents

Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services					Supporting Activities	
	Self-Governance	Social Services	Community Services	Environmental	Total Program Services	General and Administration	Total
Expenses							
Wages and benefits	$ 14,211,569	$ 5,443,830	$ 2,555,143	$ 47,885	$ 22,258,427	$ 6,503,262	$ 28,761,689
Travel	1,018,126	697,018	396,714	36,581	2,148,439	532,636	2,681,075
Stipends	156,536	55,875	7,600	92,000	312,011	1,544	313,555
Operating expenses	3,894,953	536,401	751,497	7,356	5,190,207	2,006,205	7,196,412
Contractual	1,264,211	503,848	428,644	11,561	2,208,264	482,514	2,690,778
Depreciation	-	-	-	-	-	642,412	642,412
Facilities	1,053,737	301,272	253,387	-	1,608,396	646,256	2,254,652
Assistance payments	9,937,573	5,069,629	73,911	-	15,081,113	-	15,081,113
Other expenses	364	756	1,200	-	2,320	12,714	15,034
	31,537,069	12,608,629	4,468,096	195,383	48,809,177	10,827,543	59,636,720
Indirect expense allocation	9,796,471	1,490,338	1,138,652	12,990	12,438,451	(12,438,451)	-
Property and equipment purchased with grant funds	(396,223)	(40,647)	(147,157)	-	(584,027)	584,027	-
Total Expenses	$ 40,937,317	$ 14,058,320	$ 5,459,591	$ 208,373	$ 60,663,601	$ (1,026,881)	$ 59,636,720

See accompanying notes to financial statements.

Association of Village Council Presidents

Statement of Functional Expenses
Year Ended December 31, 2023

	Program Services					Supporting Activities	
	Self-Governance	Social Services	Community Services	Environmental	Total Program Services	General and Administration	Total
Expenses							
Wages and benefits	$ 13,949,135	$ 5,347,581	$ 2,082,923	$ 16,222	$21,395,861	$ 5,850,042	$ 27,245,903
Travel	1,479,043	833,250	265,450	3,290	2,581,033	386,063	2,967,096
Stipends	122,684	67,053	-	-	189,737	69,798	259,535
Operating expenses	8,265,052	1,392,160	954,543	-	10,611,755	1,979,352	12,591,107
Contractual	1,047,564	585,577	968,379	103,774	2,705,294	608,881	3,314,175
Depreciation	-	-	-	-	-	581,565	581,565
Facilities	1,079,975	485,070	447,749	-	2,012,794	640,421	2,653,215
Assistance payments	5,254,847	8,260,419	54,855	300,000	13,870,121	(16,125)	13,853,996
Other expenses	847	50	225,000	-	225,897	3,530	229,427
	31,199,147	16,971,160	4,998,899	423,286	53,592,492	10,103,527	63,696,019
Indirect expense allocation	6,024,148	1,672,957	507,898	-	8,205,003	(8,205,003)	-
Property and equipment purchased with grant funds	(9,171)	(71,791)	(255,788)	-	(336,750)	336,750	-
Total Expenses	$ 37,214,124	$ 18,572,326	$ 5,251,009	$ 423,286	$61,460,745	$ 2,235,274	$ 63,696,019

See accompanying notes to financial statements.

Association of Village Council Presidents

Statements of Cash Flows

Years Ended December 31,	2024	2023
Cash Flows from (for) Operating Activities		
Change in net assets	$ 13,324,784	$ (4,602,255)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	642,412	581,565
Unrealized and realized (gains) losses	332,512	(352,545)
Decrease (increase) in operating assets:		
Accounts receivable	(5,299,134)	(15,962)
Accounts receivable - grants	(5,164,013)	(3,359,337)
Prepaids	289,914	(396,547)
Increase (decrease) in operating liabilities:		
Accounts payable	(439,602)	(472,263)
Accrued payroll and related liabilities	251,112	415,790
Deferred revenue	(2,875,388)	374,572
Net Cash from (for) Operating Activities	1,062,597	(7,826,982)
Net Cash for Investing Activities		
Proceeds from sale of land	-	31,289
Purchase of investments	(2,379,520)	(34,358,466)
Purchase and construction of property and equipment	(714,727)	(413,086)
Net Cash for Investing Activities	(3,094,247)	(34,740,263)
Net Cash for Financing Activities		
Payments on note payable	-	(1,050,000)
Net change in cash and cash equivalents	(2,031,650)	(43,617,245)
Cash and Cash Equivalents, beginning of year	35,342,682	78,959,927
Cash and Cash Equivalents, end of year	$ 33,311,032	$ 35,342,682

See accompanying notes to financial statements.

1. Nature of Organization and Summary of Significant Accounting Policies

Organization

Association of Village Council Presidents (AVCP or Association) was incorporated on May 2, 1977, for the purpose of carrying out nonprofit activities in the areas of housing improvement, environmental matters, and social and economic services. These services are primarily for Alaska Native people residing in the AVCP Region of Alaska. AVCP also acts as a representative of villages within the region.

Basis of Presentation

The accounting records of AVCP are maintained on the accrual basis of accounting under which revenues are recognized when earned and expenses when incurred.

Financial statement presentation follows the recommendations of FASB Accounting Standards Codification (FASB ASC) 958-205, Not-for-Profit Entities – Presentation of Financial Statements. Under these provisions, AVCP is required to report information regarding its financial position and activities according to two classes of net assets: net assets without and net assets with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

To ensure observance of limitations and restrictions placed on the use of resources available to AVCP, the accounts are maintained in accordance with the principles of fund accounting, whereby resources and related expenses are classified for accounting and reporting purposes into funds with and without donor restriction established according to their nature and purpose.

Support and Revenues

AVCP administers federal, state, and other grants and contracts. AVCP evaluates each award to determine whether to follows contribution guidance or exchange transaction guidance based on the applicable standards. This determination is based on whether the resource provider is receiving commensurate value in return for the resources transferred. The majority of AVCP's support and revenue are accounted for as contributions based on the applicable guidance. For revenue recognition, AVCP also evaluates if the amount awarded includes donor-imposed conditions or restrictions.

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Grants awarded by federal and state agencies are generally considered nonreciprocal transactions restricted by the awarding agency for certain purposes, and revenue is recognized when qualifying expenditures are incurred and conditions under the grant agreements are met when a right or return or right of release exists in awards. Amounts receivable from funding agencies at year end include amounts relating to expenses incurred prior to year-end but not billed until after year end. For grants that have been deemed to have right of return or right of release, all grant and contract receipts in excess of expenses for ongoing programs are recorded as deferred revenue. Fund receipts in excess of expenses for completed programs is recorded as amounts payable to funding agencies. Grants awarded by federal and state agencies are recorded in the year amounts are awarded and obligated for awards that do not have the right of return or right of release. Contributions that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activity as net assets released from restrictions.

Contributions, including pledges, from the general public are recognized as public support when received. All contributions are considered to be available without donor restriction unless specifically restricted by the donor.

AVCP earns interest on unrestricted funds and on certain federal money as permitted by Public Law 93-638. All interest income is allocated to net assets without donor restriction.

Revenues from Contracts with Customers

AVCP follows FASB ASC 606, Revenue from Contracts with Customers, whereby revenue is recognized under a five-step model as performance obligations within the contract are satisfied. The Association's performance obligations are satisfied over time or at a point in time.

AVCP's revenues from contracts with customers are derived primarily from research grants.

AVCP recognizes revenue over time when there is a continuous transfer of control to the customer, evidenced by simultaneous receipt and consumption of services provided. Based on the nature of the services provided in the contract, AVCP uses judgment to determine if an input measure or output measure best depicts the transfer of control over time. AVCP typically uses an output method to measure progress. Revenue is recognized proportionally as AVCP incurs costs to perform on the contract. AVCP bills the customer on a monthly basis, and revenue is recognized in the amount invoiced since the amount corresponds directly to the value of performance to date. If a contract does not meet the criteria for recognizing revenue over time, revenue is recognized at a point in time. Revenue is recognized at the point in time when control of the good or service is transferred to the customer. The Association considers control to be transferred when it has a present right to payment and the customer has legal title. Determining a measure of progress and when control transfers requires AVCP to make judgments that affect the timing of when revenue is recognized. Essentially all of AVCP's contracts satisfy their performance obligations over time.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation within that contract and recognized as revenue when, or as, the performance obligation is satisfied. The majority of the AVCP's contracts have a single performance obligation.

Allocation of Indirect Expenses

AVCP records indirect expenses which benefit all programs and are not directly charged to programs. Indirect expenses are allocated between functions based on the current provisional rate negotiated with the federal cognizant agency unless otherwise limited by contractual agreement. Any over-recovery or under-recovery of actual indirect expenses for the year are recovered or refunded to the grantor based on the final negotiated rates with the federal cognizant agency.

Functional Allocation of Expenses

AVCP provides housing improvement, environmental matters and social and economic services to Alaska Native people in the region. The cost of providing program services and supporting activities has been summarized on the statement of functional expenses on pages 8 and 9 of these financial statements. Expenses directly attributable to a specific functional activity are reported as expenses of those functional activities.

Indirect expenses benefit all programs and are not directly charged to programs. These expenses are allocated between functions based on the current provisional rate negotiated with the federal cognizant agency unless otherwise limited by contractual agreement. Any over-recovery or under-recovery of actual indirect expenses for the year are recovered or refunded to the grantor based on the final negotiated rates with the federal cognizant agency.

Liquidity and Availability of Resources

At December 31, 2024, AVCP had $94,449,951 in financial assets available to meet needs for general expenditures consisting of cash and cash equivalents of $33,311,032, investments of $44,923,871, and grants and other receivables of $16,571,454 and others. Of this amount, $76,606,480 represents net assets with donor restrictions and $1,459,456 represents cash advances from granting agencies for program expenditures. Accordingly, all such funds are available to meet the cash needs of AVCP for various programs in the next 12 months.

AVCP manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the AVCP are expected to be met monthly mainly from federal and state grant funds. In general, the AVCP maintains sufficient financial assets on hand to meet 30 days' worth of normal operating expenses.

AVCP's financial assets available within one year of the balance sheet date for general expenditure are listed as current assets in the statements of financial position.

As part of AVCP's liquidity management, there is a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. In addition, AVCP invests cash in excess of daily requirements in short-term investments, including money market accounts and certificates of deposit. AVCP has a $3,500,000 million long-term line of credit available to meet cash flow needs, of which $1,100,000 has been utilized at year-end.

Cash and Cash Equivalents

Cash and cash equivalents consist of moneys in deposit accounts, money market funds, and certificates of deposit with maturities of 90 days or less.

Investments

AVCP carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in investment income.

Financial Accounting Standards Board ASC 820, Fair Value Measurements and Disclosure establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that AVCP has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Property and Equipment

Property and equipment consist of buildings, furniture, heavy equipment, and computer and office equipment. AVCP's capitalization threshold is set at $5,000 on a nonaggregated base. Property and equipment purchased with Federal and State of Alaska grants have a reversionary interest in such property as well as the ownership of any proceeds upon disposition. Some of the property and equipment purchased with federal grants have use restrictions related to funding guidelines. A record of such property and equipment purchased is maintained to indicate with which grant or contract it was purchased.

Donated furniture and equipment are recorded at acquisition value at date of donation. Furniture and equipment are depreciated on a straight-line basis over their estimated useful lives of three to five years. Leasehold improvements are depreciated on a straight-line basis over the lesser of their estimated useful lives of five years or the remaining term of the lease.

Purchases of property and equipment made with grant or contract moneys are recorded at cost. Generally, title to equipment acquired with the proceeds of grant or contract moneys vests with AVCP, subject to specific conditions related to the use and disposition of such equipment. The assets are recorded in the General Fund and depreciation is computed on the straight-line method.

Collections

AVCP maintains the Yupiit Piciryarait, formerly known as Yupik Museum, which contains various forms of Native American artwork and historical artifacts. These artifacts and artwork are held for public exhibition, are cared for and maintained by AVCP, and proceeds of such items are to be used to acquire other items for collections.

In 2012, AVCP capitalized its collections retroactively. To the extent that reliable records were available, AVCP capitalized collection items acquired prior to 2012 at their cost at the date of purchase or, if the items were contributed, at their fair value at the accession date (the date on which the item was accepted by the Board of Directors). Other collection items, particularly those acquired prior to 2012, when detailed curatorial records began to be maintained, have been capitalized at their appraised or estimated current market value.

Collection items are not depreciated, as the economic benefit or service potential is used up so slowly that the estimated useful lives are extraordinarily long, and adequate resources are in place to protect and preserve these items.

Accounts Receivable

Receivables are recorded at the invoiced amount and do not bear interest. The credit loss for doubtful accounts is AVCP’s best estimate of the amount of probable credit losses in the existing accounts receivable. AVCP determines the credit loss based on historical write-off experience.

Credit loss for doubtful accounts for grants and contributions receivable has not been established, as all receivables are considered fully collectible.

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren’t measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an Association’s exposure to credit risk and the measurement of credit losses. Financial assets held by the Association that are subject to the guidance in FASB ASC 326 were accounts receivable. The Association adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Advertising Costs

Advertising costs are expensed as incurred.

Income Taxes

AVCP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRS), and accordingly no provision for income taxes is included in the financial statements. AVCP is not required to file an annual IRS Form 990 per IRS Revenue Procedure 95-48.

Use of Estimates

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

2. Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

December 31, 2024	Carrying Amount	Bank Balance
Checking accounts	$ 32,522,779	$ 33,573,914
Savings accounts	788,253	788,253
Total Cash and Cash Equivalents	$ 33,311,032	$ 34,362,167

December 31, 2023	Carrying Amount	Bank Balance
Checking accounts	$ 34,561,488	$ 34,561,488
Savings accounts	781,194	781,194
Total Cash and Cash Equivalents	$ 35,342,682	$ 35,342,682

Cash and cash equivalents and investment balances include advances that have been recorded as deferred revenue under various grant awards and funding agreements at December 31, 2024 and 2023, respectively. This deferred revenue is subject to certain investment restrictions required by the awarding agencies. The funds are invested in obligations of the United States or securities that are guaranteed or insured by the United States which satisfy the investment restrictions of the awarding agencies.

3. Investments

The following table sets forth, by level within the fair value hierarchy as described in footnote 1, the Association's investments at fair value as of December 31, 2024:

	2024 Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
U.S Treasury Bills	$ -	$ 36,331,772	$ -	$ 36,331,772
Certificates of deposit				5,290,700
Money market funds				3,301,399
Total investments				$ 44,923,871

	2023 Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
U.S Treasury Bills	$ -	$ 34,541,359	$ -	$ 34,541,350
Certificates of deposit				5,231,105
Money market funds				3,104,399
Total investments				$ 42,876,863

The Association has investments in money market funds and certificates of deposits totaling $8,592,099 and $8,337,334 that are not held at fair value, but instead recorded at amortized cost for the years ended December 31, 2024, and 2023, respectively.

Funds and deposits held in investment accounts are insured under the SIPC up to $500,000 per financial institution.

Investment gain (loss) consists of the following at December 31:

December 31,	2024	2023
Interest and dividend income	$ 2,661,373	$ 425,788
Net unrealized gain (loss) on securities	(332,512)	352,545
Net realized loss on sale of securities, net of investment fees	(2,229)	(222)
Total Income (loss) from Investments	$ 2,326,632	$ 778,111

4. Concentration of Credit Risk

AVCP is not party to any financial instruments with off balance sheet risk. Financial instruments which potentially subject AVCP to concentrations of credit risk are demand deposits held in excess of the Federal Deposit Insurance Corporation insured amount. AVCP maintains its deposits with high credit quality commercial banks. AVCP has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on such deposits. Deposits at certain financial institutions are either collateralized or held in sweep accounts secured by collateral of government securities in the financial institutions’ name. Uninsured deposits, uncollateralized, or held in sweep accounts secured by collateral of government securities, deposits were $6,447,980 and $6,076,428 at December 31, 2024 and 2023, respectively.

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5. Property and Equipment

A summary of property and equipment, at cost, is as follows:

December 31,	2024	2023
Property and equipment not being depreciated:		
Land	$ 2,527,806	$ 2,527,806
Work in progress	147,246	147,246
Total property and equipment not being depreciated	2,675,052	2,675,052
Property and equipment being depreciated:		
Buildings	12,666,799	12,587,045
Heavy equipment, vehicles, and software	6,801,302	6,315,719
Office furniture and equipment	4,077,863	3,928,473
Tools and other equipment	668,368	668,368
Total property and equipment being depreciated	24,214,332	23,499,605
Less accumulated depreciation	(16,678,512)	(16,036,100)
Property and equipment being depreciated, net	7,535,820	7,463,505
Total Property and Equipment, net	$ 10,210,872	$ 10,138,557

Depreciation expense was $642,412 and $581,565 for the years ended December 31, 2024, and 2023, respectively.

6. Note Payable

AVCP entered into a revolving line of credit in the amount of $1.5 million in December 2013. The revolving line of credit accrues interest at 2% plus CD index, currently 2.4%, and monthly interest-only payments are required. On February 24, 2017, the revolving line of credit amount was increased to a total of $3.5 million. The outstanding balance of the revolving line of credit at December 31, 2024 and 2023 was $1,100,000 and $1,100,000, respectively. The revolving line of credit presented as note payable in the Statements of Financial Position matures on February 1, 2026. Payment in full is due on the maturity date.

7. Net Assets

Donor-restricted contributions (including support pledged for a future period) are reported as increases in net assets with donor restrictions. When the applicable restriction is satisfied or time passes, whichever the case may be, the net assets with donor restrictions are reclassified to net assets without donor restrictions.

Net assets with donor restrictions include amounts received in advance from various federal, state, and local agencies for program expenditures restricted to use for the purposes of the awards as listed in the table below. The amounts received are recorded as revenue in the year amounts are awarded and obligated for awards that do not have the right of return or right of release. Contributions that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions.

The following provides detail of the various net assets with donor restrictions:

December 31,	2024	2023
Total net assets without donor restrictions	$ 26,089,474	$ 16,699,639
Net assets with donor restrictions for purpose:		
Tribal Self Governance	32,772,038	33,110,068
Highway Planning and Construction	25,889,755	20,961,431
P.L. 102-477 Contract	13,787,577	14,346,285
Child Support Services	2,663,951	3,004,379
Temporary Assistance for Needy Families	863,791	672,860
Diligent Relative & Indian Child Welfare Act	271,607	-
Tribal Title IV-E	264,845	369,485
Pilot Station Contract	-	76,940
Grants for Rural Areas and Tribal Transit	69,983	69,983
Headstart	11,516	60,100
Forest Inventories and Plans	11,417	-
Total net assets with donor restrictions	76,606,480	72,671,531
Total Net Assets	$ 102,695,954	$ 89,371,170

8. Retirement Plan

AVCP has adopted a defined contribution retirement plan for all regular, full-time employees with at least 3 months of service. This eligibility period was reduced from 1 year to 3 months during 2003 when AVCP changed pension carriers. The Plan requires mandatory employer contributions of 7% of employee compensation and vests immediately. In 2003, AVCP also adopted a match of an employee's voluntary contribution up to 3%. Contributions are remitted to an insurance company each month. AVCP's contributions to the plan for the years ended December 31, 2024 and 2023 totaled $1,854,610 and $1,242,835, respectively.

9. Commitments and Contingencies

Grants and Contracts

Generally, most of AVCP's revenues are received from federal and State of Alaska grants and contracts. These grants and contracts restrict the use of revenues to carrying out specific programs and may require the grantor's approval before certain expenses are allowable. AVCP is required to submit written progress reports for the activities being performed. The final expenses may be subject to an agency's compliance audit to determine the allowability of costs for which reimbursement has previously been granted. Adjustments of amounts received under grants and contracts could result if the grants and contracts are audited by such agencies. Management does not believe the amount of adjustments, if any, would be material and, accordingly, no provision for liability from such adjustments, if any, has been included in the accompanying financial statements.

Indirect Expenses

Amounts charged to individual grants and contracts as indirect expenses have generally been based on provisional rates. The amount of indirect expenses ultimately recoverable from funding agencies will depend upon final negotiations with the cognizant agency, and adjustments could result. Management does not believe that such adjustments, if any, would be material and, accordingly, no provision for liability from such adjustments, if any, is included in the accompanying financial statements.

Leases

AVCP has entered into several predominantly month-to-month operating leases with affiliated tribal associates. AVCP's annual lease expense for the years ended December 31, 2024 and 2023 totaled $938,868 and $887,137, respectively.

Subject to the provisions of Section 105(l) of P.L. 93-638, AVCP and the Bureau of Indian Affairs have negotiated leases under a funding agreement for programs contracted under the Indian Self-Determination Act, PL. 93-638. Section 105(l) lease compensation was paid for building facilities and the amount paid for the year ended December 31, 2024 and 2023 was $5,285,354 and $0.

10. Subsequent Events

AVCP has evaluated subsequent events through October 14, 2025, 2025, the date on which the financial statements were available to be issued.

Supplementary Information

Association of Village Council Presidents

Combining Schedule of Activities - Corporate

Year Ended December 31, 2024

	Program Services					Support Services	
	Self-Governance	Social Services	Community Services	Environmental	Total Program Services	General and Administrative	Total
Revenue							
Grants and contracts:							
Federal	$ 41,277,911	$ 7,396,340	$ 7,357,293	$ -	$ 56,031,544	$ -	$ 56,031,544
State	-	6,195,044	2,568,421	-	8,763,465	-	8,763,465
Other	-	179,198	-	211,177	390,375	-	390,375
Investment income	-	-	-	-	-	2,326,363	2,326,363
Other revenue	-	-	-	-	-	5,449,757	5,449,757
Total Revenue	41,277,911	13,770,582	9,925,714	211,177	65,185,384	7,776,120	72,961,504
Expenses							
Wages and benefits	14,211,569	5,443,830	2,555,143	47,885	22,258,427	6,503,262	28,761,689
Travel	1,018,126	697,018	396,714	36,581	2,148,439	532,636	2,681,075
Stipends	156,536	55,875	7,600	92,000	312,011	1,544	313,555
Operating expenses	3,894,953	536,401	751,497	7,356	5,190,207	2,006,205	7,196,412
Contractual	1,264,211	503,848	428,644	11,561	2,208,264	482,514	2,690,778
Depreciation	-	-	-	-	-	642,412	642,412
Facilities	1,053,737	301,272	253,387	-	1,608,396	646,256	2,254,652
Assistance payments	9,937,573	5,069,629	73,911	-	15,081,113	-	15,081,113
Other expenses	364	756	1,200	-	2,320	12,714	15,034
	31,537,069	12,608,629	4,468,096	195,383	48,809,177	10,827,543	59,636,720
Indirect expense allocation	9,796,471	1,490,338	1,138,652	12,990	12,438,451	(12,438,451)	-
Total Expenses	41,333,540	14,098,967	5,606,748	208,373	61,247,628	(1,610,908)	59,636,720
Property and equipment purchased with grant funds	(396,223)	(40,647)	(147,157)	-	(584,027)	584,027	-
Change in Net Assets	$ (55,629)	$ (328,385)	$ 4,318,966	$ 2,804	$ 3,937,756	$ 9,387,028	$ 13,324,784

Association of Village Council Presidents

Combining Schedule of Expenses - General and Administrative
Year Ended December 31, 2024

	Administration									
	Admini-stration	Facilities	Financial Services	Legal Services	Human Resources	Grants & Compliance	Information Technology	Commun-ications	No Specific Department	Total Administration
Expenses										
Wages and benefits	$ 1,742,911	$ 787,549	$ 1,311,479	$ 347,535	$ 673,869	$ 388,375	$ 707,815	$ -	$ 543,729	$ 6,503,262
Travel	371,851	-	44,072	39,663	29,321	17,099	30,199	-	431	532,636
Stipends	1,544	-	-	-	-	-	-	-	-	1,544
Operating expenses	596,754	122,663	659,857	101,639	96,205	5,648	535,656	-	(112,217)	2,006,205
Contractual	133,033	17,084	174,098	27,950	55,483	-	74,866	-	-	482,514
Depreciation	-	-	-	-	-	-	-	-	642,412	642,412
Facilities	80,230	442,284	11,583	1,365	252	2,084	92,036	-	16,422	646,256
Other expense	10,951	-	-	-	1,383	370	10	-	-	12,714
	2,937,274	1,369,580	2,201,089	518,152	856,513	413,576	1,440,582	-	1,090,777	10,827,543
Property and equipment purchased with grant funds	(584,027)	-	-	-	-	-	-	-	-	(584,027)
Total Expenses	$ 2,353,247	$ 1,369,580	$ 2,201,089	$ 518,152	$ 856,513	$ 413,576	$ 1,440,582	$ -	$ 1,090,777	$ 10,243,516

Association of Village Council Presidents

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub-recipients	Total Federal Expenditures
Department of the Interior				
Alaska Migratory Bird Co-Management Council:				
Alaska Migratory Bird Co-Management Council 2023	15.643		$ -	$ 14,920
Alaska Migratory Bird Co-Management Council 2024	15.643		-	10,980
Total Alaska Migratory Bird Co-Management Council			-	25,900
477 Cluster				
COVID-19 CARES ACT 477 Plan	15.U02		-	888,602
Office of Self-Governance-FY21 477 2021-2023	15.U02		-	3,194,758
Office of Self-Governance-FY21 477 2024-2026	15.U03		30,845	11,105,116
TANF 18	15.U01		-	72,095
TANF 19	15.U01		-	(555)
TANF 21	15.U02		1,284,537	2,777,147
Total 477 Cluster			1,315,382	18,037,163
Tribal Self Governance:				
Office of Self-Governance - FY13	15.022		-	23,799
Office of Self-Governance-FY17 linked to Tiwahe 10117	15.022		5,220	80,661
Office of Self-Governance-FY18 linked to Tiwahe 10118	15.022		4,780	4,780
Office of Self-Governance-FY19, linked to Tiwahe 10119	15.022		15,000	86,678
Office of Self-Governance-FY20	15.022		573,075	2,934,865
COVID-19 CARES ACT Office of Self-Governance-FY20	15.022		-	389,923
Office of Self-Governance-FY21	15.022		30,000	162,199
Office of Self-Governance-FY22	15.022		538,788	544,991
Office of Self-Governance-FY23	15.022		1,208,787	2,433,463
Office of Self-Governance-FY24	15.022		743,077	16,187,507
Office of Self-Governance - Tribal Lease Payments Section 105L	15.022		-	5,285,354
Office of Self-Governance-FY25	15.022		-	168,399
COVID-19 OSG American Rescue Plan Act 2021	15.022		2,035,020	2,035,020
COVID-19 OSG American Rescue Plan Act HIP 2021	15.022		-	235,146
Office of Self-Governance-FY23 - EMG ATG OIP Funds	15.022		857,633	857,633
Total Tribal Self Governance			6,011,380	31,430,418
Total Department of the Interior			7,326,762	49,493,481
Department of Transportation				
Highway Planning and Construction:				
Federal Transportation IRR FY 12	20.205		-	(5,383)
Federal Transportation IRR FY 13	20.205		-	454,049
Federal Transportation IRR FY 14	20.205		-	972,343
Federal Transportation IRR FY 15	20.205		-	16,807
Federal Transportation IRR FY 16	20.205		-	1,149
Federal Transportation IRR FY 23	20.205		-	26,536
Federal Transportation IRR FY 24	20.205		-	886,171
Federal Transportation IRR FY 25	20.205		-	287,625
Safety - Transportation	20.205		-	3,055
HIP CRRSA Indian Reservation Roads	20.205		-	67,771
Total Highway Planning and Construction			-	2,710,123

Association of Village Council Presidents

Schedule of Expenditures of Federal Awards, continued
Year Ended December 31, 2024

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub-recipients	Total Federal Expenditures
Environmental Protection Agency				
State and Tribal Response Grants Program -				
AVCP 2022-2023 Tribal Response Program	66.817		$ -	$ 24,845
Indian Environmental General Assistance Program (GAP) -				
Indian Environmental General Assistance Program 2024	66.926		-	35,475
Total Environmental Protection Agency			-	60,320
Department of Education				
American Indian Vocational Rehabilitation Services:				
Vocational Rehabilitation 2023	84.250		-	393,139
Vocational Rehabilitation 2024	84.250		-	129,731
Total American Indian Rehabilitation Services			-	522,870
Department of Health and Human Services				
Low-Income Home Energy Assistance:				
Low-Income Home Energy Assistance - Disaster Relief Supp. App	93.568		-	27,690
Low-Income Home Energy Assistance - Infrastructure Investment & Jobs Act	93.568		-	(3,062)
Low-Income Home Energy Assistance - FY 19	93.568		-	(485)
Low-Income Home Energy Assistance - FY 23	93.568		-	4,249
Total Low-Income Home Energy Assistance			-	28,392
Head Start Cluster -				
Federal Head Start FY24	93.600		-	3,236,321
MaryLee Allen Promoting Safe and Stable Families Program:				
Promoting Safe & Stable Families 2021 (2019-2020)	93.556			26,504
Promoting Safe & Stable Families 2021 (2021-2022)	93.556		-	80,983
Promoting Safe & Stable Families 2021 (2023-2024)	93.556		-	40,502
Total MaryLee Allen Promoting Safe and Stable Families Program			-	147,989

Association of Village Council Presidents

Schedule of Expenditures of Federal Awards, continued
Year Ended December 31, 2024

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Sub-recipients	Total Federal Expenditures
Department of Health and Human Services, continued				
Special Programs for the Aging, Title VI, Part A, Grants to Indian Tribes, Part B, Grants to Native Hawaiians:				
Older Americans Act Title VI, Part A 2023	93.047		$ 250,873	$ 250,873
Older Americans Act Title VI, Part A 2024	93.047		9,052	9,052
Total Special Programs for the Aging, Title VI, Part A, Grants to Indian Tribes Part B, Grants to Native Hawaiians			259,925	259,925
Stephanie Tubbs Jones Child Welfare Services Program:				
Child Welfare Social Services 2021 (2021-2023)	93.645		-	48,052
Child Welfare Social Services 2021 (2024-2026)	93.645		-	18,425
Total Stephanie Tubbs Jones Child Welfare Services Program			-	66,477
Aging Cluster -				
Nutrition Services Incentive Program 2020	93.053		31,124	31,124
Total Department of Health and Human Services			291,049	3,770,228
Department of Agriculture				
Passed through the State of Alaska Department of Education and Early Development -				
Child and Adult Care Food Program:				
FY 24 CACFP Program	10.558	MA-720401	-	90,963
FY 25 CACFP Program	10.558	MA-720401	-	52,408
Total Child and Adult Care Food Program			-	143,371
Department of Justice				
Public Safety Partnership and Community Policing Grants -				
COPS Tribal Resources Grant Program 2024	16.710		72,664	72,664
Total Expenditures of Federal Awards			$ 7,690,475	$ 56,773,057

See accompanying notes to Schedule of Expenditures of Federal Awards.

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Association of Village Council Presidents under programs of the federal government for the year ended December 31, 2024. 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 Association of Village Council Presidents, it is not intended to and does not present the financial position, changes in net assets or cash flows of Association of Village Council Presidents.

2. Summary of Significant Accounting Policies

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, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Rate

Association of Village Council Presidents has elected not to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

4. 477 Cluster

The Assistance Listing Numbers and Names listed subsequently are administered by and included in the 477 Plan for Association of Village Council Presidents. The programs included in the 477 Plan at December 31, 2024 consists of:

- 15.026 – Indian Adult Education
- 15.114 – Indian Education High Education Grant
- 15.130 – Indian Education Assistance to Schools
- 17.265 – Native American Employment and Training
- 93.558 – Temporary Assistance for Needy Families
- 93.575 – Child Care and Development Block Grant
- 93.594 – Tribal Works Grants – Native Employment Works

Association of Village Council Presidents

Schedule of State Financial Assistance
Year Ended December 31, 2024

State Agency / Program Title	Award Number	Total Award Amount	Passed Through to Subre- cipients	State Expend- itures
Department of Health and Social Services				
* Native Family Assistance Program 2023	604-266-23001	$ 4,702,500	$ -	$ (242)
* Native Family Assistance Program 2024	604-266-24001	4,702,500	-	2,118,991
* Native Family Assistance Program 2025	604-266-25001	4,702,500	-	2,878,075
* TANF - Child Support Services Division 2005	604-05-300	69,385	-	69,385
* TANF - Child Support Services Division 2006	604-06-300	250,230	-	250,230
* TANF - Child Support Services Division 2007	604-07-300	253,710	-	37,282
* TANF - Child Support Services Division 2014	604-14-300	255,587	-	46,339
* TANF - Child Support Services Division 2023	604-266-23001	114,170	-	(4,521)
* TANF - Child Support Services Division 2024	604-266-24001	114,170	-	5,353
* TANF - Child Support Services Division 2025	604-266-25001	36,589	-	4,741
Total Department of Health and Social Services			-	5,405,633
Department of Public Safety				
* Village Public Safety Officer Program 2024	24-401	1,592,513	-	1,249,320
* Village Public Safety Officer Program 2025	25-401	2,279,175	-	969,013
Alakanuk Public Safety Building Program	63882	508,900	-	173,626
Total Department of Public Safety			-	2,391,959
Department of Education and Early Development				
Alaska Head Start 2024	HS 24.066.01	432,344	-	432,344
Total Department of Education and Early Development			-	432,344
Department of Commerce, Community and Economic Development				
Yukon-Kuskokwim Delta Community Facilities (CCP) Grant	21-CCP-04	2,636,550	-	176,462
Total Department of Commerce, Community and Economic Development			-	176,462
Total State Financial Assistance			$ -	$ 8,406,398

See accompanying notes to Schedule of State Financial Assistance.

1. Major Program Notation

* Denotes a major program

2. Basis of Presentation

The accompanying Schedule of State Financial Assistance (the "Schedule") includes the state grant activity of Association of Village Council Presidents under programs of the State of Alaska for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Association of Village Council Presidents, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Association of Village Council Presidents.

3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Association of Village Council Presidents

Department of Health and Social Services
2025 Native Family Assistance Program
Grant # 604-266-25001
Schedule of Revenues and Expenses - Budget to Actual
For the Year Ended December 31, 2024

	Budget	Actual	Variance With Budget
Revenues			
State of Alaska	$ 4,702,500	$ 2,878,075	$ (1,824,425)
Expenses			
Direct Expenses			
Personnel	1,561,875	817,861	744,014
Other costs	3,140,625	2,060,214	1,080,411
Total Expenses	4,702,500	2,878,075	1,824,425
Excess of Revenues Over Expenses	$ -	$ -	$ -

Association of Village Council Presidents

Department of Health and Social Services
2024 Native Family Assistance Program
Grant # 604-266-24001
Schedule of Revenues and Expenses - Budget to Actual
For the Year Ended December 31, 2024

	Budget	Actual			Variance With Budget
		Prior Years	2024	Total	
Revenues					
State of Alaska	$ 4,702,500	$ 2,583,456	$ 2,118,991	$ 4,702,447	$ (53)
Expenses					
Direct Expenses					
Personnel	1,598,789	738,142	-	738,142	860,647
Travel	38,033	21,040	-	21,040	16,993
Other costs	2,625,746	1,587,404	1,933,395	3,520,799	(895,053)
Indirect expenses	439,932	236,870	185,596	422,466	17,466
Total Expenses	4,702,500	2,583,456	2,118,991	4,702,447	53
Excess of Revenues Over Expenses	$ -	$ -	$ -	$ -	$ -

Association of Village Council Presidents

Department of Education and Early Development
2025 Child and Adult Care Food Program
Pass-through Identifying Number MA-720401
Schedule of Revenues and Expenses - Budget to Actual
For the Year Ended December 31, 2024

	Budget	Actual	Variance With Budget
Revenues			
Federal pass-through			
State of Alaska	$ 315,158	$ 52,408	$ (262,750)
Expenses			
Direct Expenses			
Supplies	10,000	2,099	7,901
Meals	291,158	47,768	243,390
Postage/Freight	14,000	2,541	11,459
Total Expenses	315,158	52,408	262,750
Excess of Revenues Over Expenses	$ -	$ -	$ -

Association of Village Council Presidents

Department of Education and Early Development
2024 Child and Adult Care Food Program
Pass-through Identifying Number MA-720401
Schedule of Revenues and Expenses - Budget to Actual
For the Year Ended December 31, 2024

		Actual			Variance With
	Budget	Prior Years	2024	Total	Budget
Revenues					
Federal pass-through					
State of Alaska	$ 273,388	$ 57,223	$ 90,963	$ 148,186	$ (125,202)
Expenses					
Direct Expenses					
Supplies	9,001	4,641	1,519	6,160	2,841
Meals	251,787	49,491	87,484	136,975	114,812
Postage/Freight	12,600	3,091	1,960	5,051	7,549
Total Expenses	273,388	57,223	90,963	148,186	125,202
Excess of Revenues					
Over Expenses	$ -	$ -	$ -	$ -	$ -

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Single Audit Section

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Directors
Association of Village Council Presidents
Bethel, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Association of Village Council Presidents (the Association), which comprise the Association's statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 14, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Association's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, P.C.

Anchorage, Alaska
October 14, 2025

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Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Association of Village Council Presidents
Bethel, Alaska

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Association of Village Council Presidents' (the Association) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Association's major federal programs for the year ended December 31, 2024. The Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Summary of Opinions

Major Federal Program	*Type of Opinion*
Tribal Self Governance	Qualified
American Indian Vocational Rehabilitation Services	Unmodified

Qualified Opinion on Tribal Self Governance

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Association complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Tribal Self Governance for the year ended December 31, 2024.

Unmodified Opinion on American Indian Vocational Rehabilitation Services

In our opinion, the Association complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the Association's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Tribal Self Governance

As described in Finding 2024-002 in the accompanying schedule of findings and questioned costs, the Association did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2024-002	15.022	Tribal Self Governance	Reporting

Compliance with such requirements is necessary, in our opinion, for the Association to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Association's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Association's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Association's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Association's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Association's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-004 and 2024-005. Our opinion on each major federal program is not modified with respect to these matters.

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

The Association is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Association's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 item 2024-002 to be a material weakness.

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 2024-003, 2024-004, and 2024-005 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

The Association is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Association of Village Council Presidents' corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

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Anchorage, Alaska
October 14, 2025

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Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

Board of Directors
Association of Village Council Presidents
Bethel, Alaska

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Association of Village Council Presidents' (the Association) compliance with the types of compliance requirements identified as subject to audit in *State of Alaska Audit Guide and Compliance Supplement* (State of Alaska Audit Guide) that could have a direct and material effect on each of the Association's major state programs for the year ended December 31, 2024. The Association's major state programs are identified on the Schedule of State Financial Assistance.

In our opinion, the Association complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2024.

Basis for Opinion on Each Major State Program

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

We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Association's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Association's state programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Association’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and State of Alaska Audit Guide requirements will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Association’s compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State of Alaska Audit Guide, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Association’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Association’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of Alaska requirements, but not for the purpose of expressing an opinion on the effectiveness of the Association’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the State of Alaska Audit Guide and which are described in the accompanying schedule of findings and questioned costs as items 2024-006 and 2024-007. Our opinion on each major state program is not modified with respect to this matter.

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

The Association is responsible for preparing a corrective action plan to address each audit finding included in our auditor’s report. The Association’s corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-006 and 2024-007 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

The Association is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Association of Village Council Presidents' corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

BDO USA, P.C.

Anchorage, Alaska
October 14, 2025

Association of Village Council Presidents

Schedule of Findings and Questioned Costs
Year Ended December 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	___ yes	X no
Significant deficiency(ies) identified?	X yes	___ none reported
Noncompliance material to financial statements noted?	___ yes	X no

Federal Awards

Internal control over major federal programs:		
Material weakness(es) identified?	X yes	___ no
Significant deficiency(ies) identified?	X yes	___ none reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified for American Indian Vocational Rehabilitation Services federal program and Qualified for Tribal Self Governance major program.	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	X yes	___ no

Identification of major federal programs:

Assistance Listing Number	*Name of Federal Program or Cluster*
15.022	Tribal Self Governance
84.250	American Indian Vocational Rehabilitation Services

Dollar threshold used to distinguish between Type A and Type B programs: $1,703,191

Auditee qualified as low-risk auditee? ___ yes X no

State Financial Assistance

Internal control over major state programs:		
Material weakness(es) identified?	___ yes	X no
Significant deficiency(ies) identified?	X yes	___ (none reported)
Type of auditor's report issued on compliance for major state programs:	Unmodified	
Dollar threshold used to distinguish between Type A and Type B programs:		$750,000
Auditee qualified as low-risk auditee?	___ yes	X no

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

Finding 2024-001	**Significant Deficiency in Internal Controls over Financial Reporting - Reconciliation of Grants Revenue**
Criteria	*Government Accounting Standards* states management is responsible for establishing and maintaining effective internal control to help ensure that appropriate goals and objectives are met; using resources efficiently; economically, effectively, and equitably, and safeguarding resources; following laws and regulations; and ensuring that financial information is reliable and properly reported. Internal controls over financial reporting should allow management to prevent or detect and correct misstatements on a timely basis.
Condition	There were significant adjustments to the books and records to properly account for grant activity. Specifically, adjustments to revenue were identified that increased grant revenue by $2.080 million, increased deferred revenue by $195,016, and decreased grant receivables by $2.275 million. There were also significant changes required to the presentation of the Schedule of Expenditures of Federal Awards for proper reporting of grant information.
Cause	There were turnover in key personnel and lack of cross training, which led to insufficient supervisory review of grant activity through the fiscal year. In addition, a complete evaluation for proper recording of revenue was performed late in the financial reporting process.
Effect or potential effect	The grant reconciliation process delayed the closing of the records and reporting of the financial statements.
Recommendation	We recommend that management should establish more comprehensive processes for tracking and reporting of grants, including a set policy for evaluation of revenue recognition, regular review of balances throughout the year (at least quarterly), and detailed review of schedules for financial reporting.
Views of Responsible Official and Planned Corrective Action	Management agrees with this finding. An additional level of administrative and technical review will be added to strengthen and support Grants & Compliance Team. A full review of staffing requirements will be undertaken, key areas to support proper accounting processes will be identified and adequately staffed. Each position will be cross trained to provide redundancy of knowledge and processes.

Section III - Federal Award Findings and Questioned Costs

Finding 2024-002	**Material Weakness in Internal Control Over Compliance and Material Noncompliance - Reporting**
Identification of the federal program	ALN 15.022 Tribal Self Governance
Agencies	**Department of Interior**
Award Numbers	GT-OSGT812- Year 2013 GT-OSGT812- Year 2017 GT-OSGT812- Year 2018 GT-OSGT812- Year 2019 GT-OSGT812- Year 2020 GT-OSGT812- Year 2021 GT-OSGT812- Year 2022 GT-OSGT812- Year 2023 GT-OSGT812- Year 2024 GT-OSGT812- Year 2025
Criteria	In accordance with Uniform Guidance, AVCP must comply with the Federal Funding Accountability and Transparency Act reporting requirements. Recipients of grants or cooperative agreements who make first tier subawards of $30,000 or more are required to register in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) and report subaward data through FSRS. AVCP is required to file a FFATA sub-award report by the end of the month following the month.
Condition	The Association did not report subaward data through FSRS for the program.
Cause	Proper controls were not in place to ensure compliance with the Federal Funding Accountability and Transparency Act reporting requirements.
Effect or potential effect	Noncompliance with the Federal Funding Accountability and Transparency Act reporting requirements.
Questioned Costs	None Identified.
Context	We noted that subaward data for all TSG sub-recipients were not reported per the requirements of the Federal Funding Accountability and Transparency Act.
Identification as a Repeat Finding	Yes, 2023-001.
Recommendation	We recommend AVCP, design and implement internal control procedures to ensure compliance with the Federal Funding Accountability and Transparency Act reporting requirements.

Views of Responsible Official and Planned Corrective Action	Management concurs with the finding. Management is reviewing the policy and procedure and updating process of reporting and clearly defining roles and responsibilities of all employees involved in the process. Management is also provided with additional training of the subaward policy for employees involved in the subaward process, with emphasis on the FFATA reporting requirements and roles and responsibilities.
<u>**Finding 2024-003**</u>	**Significant Deficiency in Internal Control Over Compliance - Eligibility Application Review**
Identification of the federal program	ALN 84.250 American Indian Vocational Rehabilitation Services
Agencies	**Department of Education**
Award Numbers	H250N210051- Year 2023 H250N210051- Year 2024
Criteria	In accordance with the Rehabilitation Act of 1973, as amended, Title I, Part C, Section 121, AVCP must comply with the Section 7(9) of the Acts eligibility requirements. Recipients of grants must provide services to American Indians with disabilities residing on or near a Federal or State reservation who meet the definition of an individual with a disability in Section 7 (9) of the Rehabilitation Act. According to the Act the term "disability" means (A) a physical or mental impairment that constitutes or results in a substantial impediment to employment; or (B) a physical or mental impairment that substantially limits one or more major life activities. AVCP is required to check eligibility requirements prior to providing services.
Condition	The Association is not consistently following their own internal control procedures for keeping evidence of reviewing the eligibility certification form.
Cause	Due to the remoteness of the villages served by the Association, physical signatures are not always obtainable.
Effect or possible effect	Individuals who do not met the eligibility requirements may be provided services.
Questioned Costs	None Identified.
Context	We tested 16 individuals who were designated as eligible for the American Indian Vocational Rehabilitation Services program. Out of the 16 tested, we found 3 instances where the evidence of the review control was not maintained.

Identification as a Repeat Finding	None.
Recommendation	We recommend AVCP update their internal control to include electronic reviews of the eligibility certificate.
Views of Responsible Official and Planned Corrective Action	Management concurs with the finding. AVCP Vocational Rehabilitation department is adding internal control policies to ensure eligibility documentations are reviewed and maintained.
Finding 2024-004	**Significant Deficiency in Internal Control over Compliance and Noncompliance – Procurement**
Identification of the federal program	ALN 15.022 Tribal Self Governance `
Agencies	**Department of Interior**
Award Numbers	GT-OSGT812- Year 2013 GT-OSGT812- Year 2017 GT-OSGT812- Year 2018 GT-OSGT812- Year 2019 GT-OSGT812- Year 2020 GT-OSGT812- Year 2021 GT-OSGT812- Year 2022 GT-OSGT812- Year 2023 GT-OSGT812- Year 2024 GT-OSGT812- Year 2025
Criteria	The Uniform Guidance in 2 CFR Section 200.320(b), *Procurement Methods – Small Purchase*, is required if the aggregate dollar amount of the procurement transaction is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. Unless specified by the Federal agency, the recipient or subrecipient may exercise judgment in determining what number is adequate. The recipient or subrecipient is responsible for determining an appropriate small purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures, which may be lower than, but must not exceed, the threshold established in the Federal Acquisition Regulation.
Condition	The Association is not consistently following their own internal control policy for purchases that meet their small purchase threshold for procurement to obtain price or rate quotations from an adequate number of qualified sources.
Cause	AVCP is subject to high turnover in its purchasing department. Due to the frequency of new personal onboarding, the small purchase policy was missed was certain contracts.

Effect or possible effect	The Association not adhering to its established procedures, can lead to noncompliance, questioned costs, repayment obligations, or loss of funding.
Questioned Costs	None Identified.
Context	2 out of 5 vendors selected for testing were not procured for in accordance with AVCP's policy.
Identification as a Repeat Finding	None.
Recommendation	We recommend AVCP implement additional internal controls to ensure AVCP's internal procurement policies are being followed.
Views of Responsible Official and Planned Corrective Action	Management concurs with the finding. Thorough training in AVCP's procurement policies and procedures will be provided to departmental staff. AVCP will also hold an overall training of AVCP's key and senior personnel by an outside expert in government procurement rules and regulations.

Finding 2024-005 **Significant Deficiency in Internal Control over Compliance and Noncompliance - Reporting Deadline for Federal Single Audit**

Identification of the federal programs	ALN 15.022 Tribal Self Governance
Agencies	**Department of Interior**
Award Numbers	GT-OSGT812- Year 2013 GT-OSGT812- Year 2017 GT-OSGT812- Year 2018 GT-OSGT812- Year 2019 GT-OSGT812- Year 2020 GT-OSGT812- Year 2021 GT-OSGT812- Year 2022 GT-OSGT812- Year 2023 GT-OSGT812- Year 2024 GT-OSGT812- Year 2025
	ALN 84.250 American Indian Vocational Rehabilitation Services
	Department of Education H250N210051- Year 2023 H250N210051- Year 2024
Criteria	2 CFR 200.512, Report Submission, establishes that the audit must be completed and the data collection form and reporting package submitted to the Federal Audit Clearinghouse (FAC) within the earlier of 30 days after receipt of the auditor's report or 9 months after the end of the audit period.

Condition	The Association did not comply with the required submission date of the data collection form and reporting package to the FAC for the fiscal year ended December 31, 2024.
Cause	The audit was not completed in time to file the data collection form and reporting package, due to a delay in closing the books and records because of staff turnover.
Effect or possible effect	The Association is not compliant with 2 CFR 200.512. The Association could be exposed to a reduction or elimination of funds by the Federal awarding agencies.
Questioned Costs	None Identified.
Context	The data collection form and reporting package is due nine months after the fiscal year end. The data collection form and reporting package for the fiscal year ended December 30, 2024 was filed late.
Identification as a Repeat Finding	None.
Recommendation	We recommend the Association establish controls to ensure the audit is completed timely and the data collection form and reporting package is submitted to the FAC within the required timeframe.
Views of Responsible Official and Planned Corrective Action	Management concurs with the finding. Positions will be filled and reconciliation and review controls will be added for year end-close to ensure audit is filed before the deadline.

Section IV - State Award Findings and Questioned Costs

Finding 2024-006	**Significant Deficiency in Internal Control over Compliance and Noncompliance – Reporting**
State Agency	Department of Public Safety
Grant Name and Award Number and Award Year	**Village Public Safety Officer** 24-401 - Year 2024 25-401 – Year 2025
Criteria	The State of Alaska Single Audit Guide and Compliance Supplement, along with the signed grant award, requires the Association to timely and accurately prepare and submit grant reports to the funding agency.
Condition	The Association did not submit reports in accordance with the grant requirements.

Cause	There were not sufficient controls in place to ensure reports were submitted.
Effect or potential effect	AVCP was not in compliance with grant reporting requirements.
Questioned Costs	None Identified.
Context	We tested 2 quarterly financial reports, 2 monthly expense reports, and 1 monthly program report. 1 of the monthly expense reports was not submitted.
Identification as a Repeat Finding	Not a repeating finding.
Recommendation	We recommend AVCP, design and implement internal control procedures to ensure compliance with the grant reporting requirements.
'iews of Responsible Official and Planned Corrective Action	Management agrees with the finding. A consistent monthly reporting procedure has been developed, through internal distribution and verification of the monthly reports, ensuring each report is timely filed.
Finding 2024-007	**Significant Deficiency in Internal Control over Compliance and Noncompliance – Reporting Deadline for State Single Audit**
State Agency	Department of Public Safety
Grant Name and Award Number and Award Year	**Village Public Safety Officer** 24-401 - Year 2024 25-401 – Year 2025 Department of Health and Social Services **Native Family Assistance Program** 604-266-23001 – Year 2023 604-266-24001 – Year 2024 604-266-25001 – Year 2025 604-05-300 – Year 2005 604-06-300 – Year 2006 604-07-300 – Year 2007 604-14-301 – Year 2014
Criteria	2 AAC 45.010 (b) states an entity that expends a cumulative total of $750,000 of more shall submit an audit report for the audit period by …"the earlier of 30 days after the entity receives its audit report for the audit period; or nine months after the end of the audit period" or a later date agreed upon in writing in advance of the dates in this section.

Condition	The Association did not provide the necessary information to complete the audit related to state programs subject to audit in a timely manner resulting in the audit not being completed by the State deadline.
Cause	The audit was not completed in time to file the State Single Audit, due to a delay in closing the books and records because of staff turnover.
Effect or potential effect	The Association is not in compliance with 2 AAC 45.010 (b)(1).
Questioned Costs	None Identified.
Context	The Association's audit in accordance with 2 AAC 45 was not completed within nine months after the audit period.
Identification as a Repeat Finding	Not a repeating finding.
Recommendation	We recommend the Association establish controls to ensure the audit is completed timely and the reporting package is submitted to the State within the required timeframe.
Views of Responsible Official and Planned Corrective Action	Management concurs with the finding. Positions will be filled and reconciliation and review controls will be added for year-end close to ensure audit is filed before the deadline.

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Unaudited Information

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Summary of Prior Year (FY 23) Findings

Corrective Action: Finding 2023-001 Material Weakness in Internal control Over Compliance and Material Noncompliance – Reporting

Questioned Programs: ALN 15.022 Tribal Self Governance
Agencies: Department of Interior

Award Numbers:
GT-OSGT812- Year 2013
GT-OSGT812- Year 2017
GT-OSGT812- Year 2018
GT-OSGT812- Year 2019
GT-OSGT812- Year 2020
GT-OSGT812- Year 2021
GT-OSGT812- Year 2022
GT-OSGT812- Year 2023
GT-OSGT812- Year 2021
GT-OSGT812- Year 2015, 2016, 2017
GT-OSGT812- Year 2018, 2019, 2020
GT-OSGT812- Year 2021, 2022, 2023

Prior Year Finding**:** Subaward data for all TSG sub-recipients were not reported per the requirements of the Federal Funding Accountability and Transparency Act for Tribal Justice.

Current Year Status: Repeated as 2024-002 reported in the current year due to the initial finding discovered during the review of the prior year.

AVCP now reports on Tribal Self Governance funding for pass-through funding to Federally recognized Tribes for subrecipient awards including Aid to Tribal Government, Tribal Courts, and emergency funding.

ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS
Thaddeus Tikiun Jr., Chairperson | Vivian Korthuis, CEO | AVCP.org

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FY 24 Corrective Action Plan

Finding 2024-001	**Significant Deficiency in Internal Controls over Financial Reporting - Reconciliation of Grants Revenue**
Condition	Large amounts of adjustments were required to the grant revenue and receivable accounts that delayed closing and reporting of the financial statements.
Status	In Progress
Management's Corrective Action Plan	An additional level of administrative and technical review will be added to strengthen and support Grants & Compliance Team. A full review of staffing requirements will be undertaken, key areas to support proper accounting processes will be identified and adequately staffed. Each position will be cross trained to provide redundancy of knowledge and processes.
Finding 2024-002	**Material Weakness in Internal control Over Compliance and Material Noncompliance – Reporting**
Questioned Programs	ALN 15.022 Tribal Self Governance Agencies: Department of Interior
Award Numbers	GT-OSGT812- Year 2013 GT-OSGT812- Year 2017 GT-OSGT812- Year 2018 GT-OSGT812- Year 2019 GT-OSGT812- Year 2020 GT-OSGT812- Year 2021 GT-OSGT812- Year 2022 GT-OSGT812- Year 2023 GT-OSGT812- Year 2024 GT-OSGT812- Year 2025
Condition	Subaward data for all TSG sub-recipients were not reported per the requirements of the Federal Funding Accountability and Transparency Act (FFATA).
Status	Completed as of September 2025
Management's Corrective Action Plan	AVCP reviewed its policy and procedures to ensure it was current. In addition to policy and procedures review, AVCP drafted flow charts that outline the process and defines roles and responsibility of all employees involved in the process. Finally, AVCP provided training in the subaward policy for employees

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	involved in the subaward process, with emphasis on the FFATA reporting requirements and roles and responsibilities.
Finding 2024-003	**Significant Deficiency in Internal Control Over Compliance – Eligibility Application Review**
Questioned Programs	ALN 84.250 American Indian Vocational Rehabilitation Services Agencies: Department of Education
Award Numbers	H250N210051- Year 2023 H250N210051- Year 2024
Condition	The Association is not consistently following their own internal control procedures for keeping evidence of reviewing the eligibility certification form.
Status	In Progress
Management's Corrective Action Plan	Vocational Rehabilitation (VR) will update its required document checklist to include a check for required signatures. The intake staff will utilize the checklist for its first level of application intake to ensure all supporting documents are included and the application is complete, including required signatures. Another step VR will add in the process is a second level of review. Each application that has been approved for support will be reviewed by a second reviewer before final approval. Further, each application that exceeds an award of $10,000, will be reviewed by a third approver. Since applications for services are sometimes foreword to AVCP VR by the Yukon Kuskokwim Health Corporation Audiology Department, AVCP VR will conduct regular training to Audiology staff on the correct process for completing its application. Internally, AVCP VR will continue to conduct yearly training to Village based AVCP staff, who sometimes accept and forward applications to the VR staff, on the correct process for completing its application. Lastly, AVCP VR will update its internal policies and procedures to include these four key steps to ensure applications are complete and signed
Finding 2024-004	**Significant Deficiency in Internal Control over Compliance and Noncompliance – Procurement**
Questioned Programs	ALN 15.022 Tribal Self Governance Agencies: Department of Interior
Award Numbers	GT-OSGT812- Year 2013 GT-OSGT812- Year 2017 GT-OSGT812- Year 2018 GT-OSGT812- Year 2019

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	GT-OSGT812- Year 2020 GT-OSGT812- Year 2021 GT-OSGT812- Year 2022 GT-OSGT812- Year 2023 GT-OSGT812- Year 2024 GT-OSGT812- Year 2025
Condition	The Association is not consistently following their own internal control policy for purchases that meet their small purchase threshold for procurement to obtain price or rate quotations from an adequate number of qualified sources.
Status	In Progress
Management's Corrective Action Plan	Thorough training in AVCP's procurement policies and procedures has been performed within this department. AVCP also held an overall training of AVCP's key and senior personnel by an outside expert in government procurement rules and regulations.
Finding 2024-005	**Significant Deficiency in Internal Control over Compliance and Noncompliance – Reporting Deadline for Federal Single Audit**
Questioned Programs	ALN 15.022 Tribal Self Governance Agencies: Department of Interior ALN 84.250 American Indian Vocational Rehabilitation Services Agencies: Department of Education
Award Numbers	GT-OSGT812- Year 2013 GT-OSGT812- Year 2017 GT-OSGT812- Year 2018 GT-OSGT812- Year 2019 GT-OSGT812- Year 2020 GT-OSGT812- Year 2021 GT-OSGT812- Year 2022 GT-OSGT812- Year 2023 GT-OSGT812- Year 2024 GT-OSGT812- Year 2025 H250N210051- Year 2023 H250N210051- Year 2024
Condition	The Association did not comply with the required submission date of the data collection form and reporting package to the FAC for the fiscal year ended December 31, 2024.

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Status	In Progress.
Management's Corrective Action Plan	Management acknowledges that the data collection form and reporting package was filed late for Fiscal Year 2024 due to employee turnover. As these positions have been filled subsequent to year end, we do not anticipate any such issues for Fiscal Year 2025.
Finding 2024-006	**Significant Deficiency in Internal Control over Compliance and Noncompliance – Reporting**
Questioned Programs	Village Public Safety Officer Agencies: Department of Public Safety
Award Numbers	24-401 - Year 2024 25-401 – Year 2025
Condition	The Association did not submit reports in accordance with the grant requirements.
Status	Completed
Management's Corrective Action Plan	A consistent monthly reporting procedure has been developed, through internal distribution and verification of the monthly reports, ensuring each report is timely filed.
Finding 2024 - 007	**Significant Deficiency in Internal Control over Compliance and Noncompliance – Reporting Deadline for State Single Audit**
Questioned Programs	Village Public Safety Officer Agencies: Department of Public Safety **Native Family Assistance Program** Agencies: Department of Health and Social Services
Award Numbers	24-401 - Year 2024 25-401 – Year 2025 604-266-23001 – Year 2023 604-266-24001 – Year 2024 604-266-25001 – Year 2025 604-05-300 – Year 2005 604-06-300 – Year 2006 604-07-300 – Year 2007 604-14-301 – Year 2014

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Condition	The Association did not provide the necessary information to complete the audit related to state programs subject to audit in a timely manner resulting in the audit not being completed by the State deadline.
Status	In Progress.
Management's Corrective Action Plan	Management acknowledges that the State Single Audit was filed late for Fiscal Year 2024 due to employee turnover. As these positions have been filled subsequent to year end, we do not anticipate any such issues for Fiscal Year 2025.