Association of Village Council Presidents

Financial Statements, Supplementary Information, and Single Audit Reports
Years Ended December 31, 2025 and 2024

Association of Village Council Presidents

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Years Ended December 31, 2025 and 2024

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 the Association of Village Council Presidents (the Association), which comprise the statements of financial position as of December 31, 2025, and 2024, 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, 2025, and 2024 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 August 25, 2026 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
August 25, 2026

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Financial Statements

Association of Village Council Presidents

Statements of Financial Position

December 31,		2025		2024
Assets				
Current Assets				
Cash and cash equivalents	$	50,893,722	$	33,311,032
Accounts receivable		2,147,312		5,396,133
Accounts receivable - grants		8,043,827		10,854,891
Prepaids		385,100		504,101
Investments		43,781,900		44,923,871
Total Current Assets		105,251,861		94,990,028
Noncurrent assets:				
Property and equipment, net of accumulated depreciation		9,927,402		10,210,872
Collections		2,012,986		2,012,986
Total Assets	$	117,192,249	$	107,213,886
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	$	1,112,501	$	909,103
Accrued payroll and related liabilities		2,001,431		1,545,169
Deferred revenue		685,161		963,660
Current portion of note payable		1,100,000		-
Total Current Liabilities		4,899,093		3,417,932
Note payable, net of current portion		-		1,100,000
Total Liabilities		4,899,093		4,517,932
Net Assets				
Without donor restrictions		24,691,163		26,089,474
With donor restrictions		87,601,993		76,606,480
Total Net Assets		112,293,156		102,695,954
Total Liabilities and Net Assets	$	117,192,249	$	107,213,886

See accompanying notes to financial statements.

Association of Village Council Presidents

Statements of Activities

Years Ended December 31,	2025 Without Donor Restrictions	2025 With Donor Restrictions	2025 Total	2024 Without Donor Restrictions	2024 With Donor Restrictions	2024 Total
Revenues						
Grants and contracts:						
Federal	$ 3,472,308	$ 57,703,697	$ 61,176,005	$ 1,297,189	$54,734,355	$ 56,031,544
State	8,061,619	-	8,061,619	8,695,079	68,386	8,763,465
Other	1,071,965	1,233,946	2,305,911	390,375	-	390,375
Investment income, net	2,030,893	-	2,030,893	2,326,363	-	2,326,363
Other revenues	175,734	-	175,734	5,449,757	-	5,449,757
Net assets released from restrictions	47,942,130	(47,942,130)	-	50,867,792	(50,867,792)	-
Total Revenues	62,754,649	10,995,513	73,750,162	69,026,555	3,934,949	72,961,504
Expenses						
Program services:						
Self-governance	38,156,832	-	38,156,832	40,937,317	-	40,937,317
Social services	11,391,150	-	11,391,150	14,058,320	-	14,058,320
Community services	9,855,867	-	9,855,867	5,459,591	-	5,459,591
Environmental	542,040	-	542,040	208,373	-	208,373
Total program services	59,945,889	-	59,945,889	60,663,601	-	60,663,601
Support services:						
General and administrative	13,355,392	-	13,355,392	11,411,570	-	11,411,570
Less indirect recovery	(9,148,321)	-	(9,148,321)	(12,438,451)	-	(12,438,451)
Total support services	4,207,071	-	4,207,071	(1,026,881)	-	(1,026,881)
Total Expenses	64,152,960	-	64,152,960	59,636,720	-	59,636,720
Change in net assets	(1,398,311)	10,995,513	9,597,202	9,389,835	3,934,949	13,324,784
Net Assets, beginning of year	26,089,474	76,606,480	102,695,954	16,699,639	72,671,531	89,371,170
Net Assets, end of year	$ 24,691,163	$ 87,601,993	$ 112,293,156	$ 26,089,474	$76,606,480	$102,695,954

See accompanying notes to financial statements.

Association of Village Council Presidents

Statement of Functional Expenses
Year Ended December 31, 2025

	Program Services					Supporting Activities	
	Self-Governance	Social Services	Community Services	Environmental	Total Program Services	General and Administration	Total
Expenses							
Wages and benefits	$ 14,339,443	$ 4,783,191	$ 4,270,779	$ 165,911	$ 23,559,324	$ 7,060,531	$ 30,619,855
Travel	919,124	442,221	555,337	107,224	2,023,906	465,588	2,489,494
Stipends	126,609	72,678	1,400	1,000	201,687	25,830	227,517
Operating expenses	4,733,300	519,641	525,801	125,992	5,904,734	2,272,129	8,176,863
Contractual	789,241	279,227	2,500,514	39,369	3,608,351	285,636	3,893,987
Depreciation	-	-	-	-	-	689,148	689,148
Facilities	922,191	233,610	290,908	26,563	1,473,272	577,146	2,050,418
Assistance payments	10,110,735	3,998,588	74,700	-	14,184,023	(14,751)	14,169,272
Other expenses	703	11,926	-	-	12,629	1,823,777	1,836,406
	31,941,346	10,341,082	8,219,439	466,059	50,967,926	13,185,034	64,152,960
Indirect expense allocation	6,242,930	1,050,068	1,779,342	75,981	9,148,321	(9,148,321)	-
Property and equipment purchased with grant funds	(27,444)	-	(142,914)	-	(170,358)	170,358	-
Total Expenses	$ 38,156,832	$ 11,391,150	$ 9,855,867	$ 542,040	$ 59,945,889	$ 4,207,071	$ 64,152,960

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

Statements of Cash Flows

Years Ended December 31,	2025	2024
Cash Flows from Operating Activities		
Change in net assets	$ 9,597,202	$ 13,324,784
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	689,148	642,412
Change in accrued income for investments	230,211	332,512
Decrease (increase) in operating assets:		
Accounts receivable	3,248,821	(5,299,134)
Accounts receivable - grants	2,811,064	(5,164,013)
Prepaids	119,001	289,914
Increase (decrease) in operating liabilities:		
Accounts payable	203,398	(439,602)
Accrued payroll and related liabilities	456,262	251,112
Deferred revenue	(278,499)	(2,875,388)
Net Cash from Operating Activities	17,076,608	1,062,597
Net Cash from (for) Investing Activities		
Purchase of investments	(37,200,281)	(31,223,110)
Proceeds from sale of investments	38,112,041	28,843,590
Purchase of property and equipment	(405,678)	(714,727)
Net Cash from (for) Investing Activities	506,082	(3,094,247)
Net change in cash and cash equivalents	17,582,690	(2,031,650)
Cash and Cash Equivalents, beginning of year	33,311,032	35,342,682
Cash and Cash Equivalents, end of year	$ 50,893,722	$ 33,311,032

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, 2025, AVCP had $104,866,761 in financial assets available to meet needs for general expenditures consisting of cash and cash equivalents of $50,893,722, investments of $43,781,900, and grants and other receivables of $10,191,139. Of this amount, $87,601,993 represents net assets with donor restrictions and $685,161 represents cash advances from granting agencies for program expenditures. At December 31, 2024, AVCP had $94,485,927 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 $16,251,024. Of this amount, $76,606,480 represents net assets with donor restrictions and $963,660 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.

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 held-to-maturity securities. The Association measures these securities at amortized cost, which approximates fair value due to their short-term maturities. Interest income is recognized using the effective interest method and is included in interest income in the accompanying statement of operations.

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.

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.

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2. Cash and Cash Equivalents

Cash and cash equivalents consist of the following:

December 31, 2025	Carrying Amount	Bank Balance
Checking accounts	$ 50,097,355	$ 51,628,484
Savings accounts	796,367	796,367
Total Cash and Cash Equivalents	$ 50,893,722	$ 52,424,851

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

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, 2025 and 2024, 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 Association has investments in U.S. Treasury Bills with an aggregate amortized cost and carrying value of $38,001,128 and $36,311,740 for the years ended December 31, 2025 and 2024, respectively.

The following table presents the Association's Treasury Bill holdings at amortized cost:

December 31,	2025	2024
Treasury bills maturing within 3 months	$ 22,622,006	$ 16,968,202
Treasury bills maturing within 3 to 12 months	15,379,122	19,343,538
Total Treasury Bills	$ 38,001,128	$ 36,311,740

The Association has investments in money market funds and certificates of deposits totaling $5,780,772 and $8,612,131 that are not held at fair value, but instead recorded at amortized cost for the years ended December 31, 2025 and 2024, respectively.

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

Interest income net of investment fees is recognized using the effective interest method. Interest income totaled $2,030,893 and $2,326,363 for the years ended December 31, 2025 and 2024, respectively.

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 $4,013,896 and $6,447,980 at December 31, 2025 and 2024, respectively.

5. Property and Equipment

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

December 31,	2025	2024
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	12,666,799
Heavy equipment, vehicles, and software	6,994,597	6,801,302
Office furniture and equipment	4,290,246	4,077,863
Tools and other equipment	668,368	668,368
Total property and equipment being depreciated	24,620,010	24,214,332
Less accumulated depreciation	(17,367,660)	(16,678,512)
Property and equipment being depreciated, net	7,252,351	7,535,820
Total Property and Equipment, net	$ 9,927,402	$ 10,210,872

Depreciation expense was $689,148 and $642,412 for the years ended December 31, 2025 and 2024, respectively.

6. Note Payable

AVCP has a revolving line of credit to borrow up to $3,500,000 that accrues interest at 2% plus CD index, which is currently 2.4%. Interest-only payments are required monthly. The outstanding balance of the revolving line of credit at December 31, 2025 and 2024 was $1,100,000. 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,	2025	2024
Total net assets without donor restrictions	$ 24,691,163	$ 26,089,474
Net assets with donor restrictions for purpose:		
Tribal Self Governance	39,503,557	32,772,038
Highway Planning and Construction	27,775,907	25,889,755
P.L. 102-477 Contract	16,857,255	13,787,577
Child Support Services	1,732,655	2,663,951
Temporary Assistance for Needy Families	863,791	863,791
Diligent Relative & Indian Child Welfare Act	-	271,607
Tribal Title IV-E	733,983	264,845
Grants for Rural Areas and Tribal Transit	69,983	69,983
Headstart	53,445	11,516
Forest Inventories and Plans	11,417	11,417
Total net assets with donor restrictions	87,601,993	76,606,480
Total Net Assets	$ 112,293,156	$ 102,695,954

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, 2025 and 2024 totaled $1,585,249 and $1,854,610, 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, 2025 and 2024 totaled $661,045 and $938,868, 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 received for building facilities for the year ended December 31, 2025 and 2024 was $3,446,761 and $0.

10. Subsequent Events

AVCP has evaluated subsequent events through August 25, 2026, the date on which the financial statements were available to be issued. In February 2026, the Association paid off the line of credit balance totaling $1,100,000.

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Supplementary Information

Association of Village Council Presidents

Combining Schedule of Activities - Corporate
Year Ended December 31, 2025

	Program Services					Support Services	
	Self-Governance	Social Services	Community Services	Environmental	Total Program Services	General and Administrative	Total
Revenue							
Grants and contracts:							
Federal	$ 48,012,915	$ 4,815,559	$ 8,123,871	$ 223,660	$ 61,176,005	$ -	$ 61,176,005
State	-	5,099,246	2,962,373	-	8,061,619	-	8,061,619
Other	-	1,435,343	478,067	392,501	2,305,911	-	2,305,911
Investment income	-	-	-	-	-	2,030,893	2,030,893
Other revenue	-	-	-	-	-	175,734	175,734
Total Revenue	48,012,915	11,350,148	11,564,311	616,161	71,543,535	2,206,627	73,750,162
Expenses							
Wages and benefits	14,339,443	4,783,191	4,270,779	165,911	23,559,324	7,060,531	30,619,855
Travel	919,124	442,221	555,337	107,224	2,023,906	465,588	2,489,494
Stipends	126,609	72,678	1,400	1,000	201,687	25,830	227,517
Operating expenses	4,733,300	519,641	525,801	125,992	5,904,734	2,272,129	8,176,863
Contractual	789,241	279,227	2,500,514	39,369	3,608,351	285,636	3,893,987
Depreciation	-	-	-	-	-	689,148	689,148
Facilities	922,191	233,610	290,908	26,563	1,473,272	577,146	2,050,418
Assistance payments	10,110,735	3,998,588	74,700	-	14,184,023	(14,751)	14,169,272
Other expenses	703	11,926	-	-	12,629	1,823,777	1,836,406
	31,941,346	10,341,082	8,219,439	466,059	50,967,926	13,185,034	64,152,960
Indirect expense allocation	6,242,930	1,050,068	1,779,342	75,981	9,148,321	(9,148,321)	-
Total Expenses	38,184,276	11,391,150	9,998,781	542,040	60,116,247	4,036,713	64,152,960
Property and equipment purchased with grant funds	(27,444)	-	(142,914)	-	(170,358)	170,358	-
Change in Net Assets	$ 9,801,195	$ (41,002)	$ 1,422,616	$ 74,121	$ 11,256,930	$ (1,659,728)	$ 9,597,202

Association of Village Council Presidents

Combining Schedule of Expenses - General and Administrative
Year Ended December 31, 2025

	Administration								
	Admini-stration	Facilities	Financial Services	Legal Services	Human Resources	Grants & Compliance	Information Technology	No Specific Department	Total Administration
Expenses									
Wages and benefits	$ 1,278,012	$ 738,690	$ 1,348,370	$ 398,254	$ 633,201	$ 495,436	$ 772,952	$ 1,395,616	$ 7,060,531
Travel	258,352	4,629	60,688	56,369	39,567	15,894	29,437	652	465,588
Stipends	25,830	-	-	-	-	-	-	-	25,830
Operating expenses	856,852	75,329	625,976	144,309	58,676	2,419	508,568	-	2,272,129
Contractual	218,665	4,625	188	7,158	41,896	-	13,104	-	285,636
Depreciation	-	-	-	-	-	-	-	689,148	689,148
Facilities	33,757	430,110	2,529	599	137	-	91,612	18,402	577,146
Assistance payments	-	-	-	-	(13,718)	(1,033)	-	-	(14,751)
Other expense	2,750	-	64,850	-	13,947	115	-	1,742,115	1,823,777
Total Expenses	$ 2,674,218	$ 1,253,383	$ 2,102,601	$ 606,689	$ 773,706	$ 512,831	$ 1,415,673	$ 3,845,933	$ 13,185,034

Association of Village Council Presidents

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2025

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		$ -	$ 15,220
Alaska Migratory Bird Co-Management Council 2024	15.643		-	631
Total Alaska Migratory Bird Co-Management Council			-	15,851
477 Cluster:				
COVID-19 CARES ACT 477 Plan	15.U01		-	67,471
Office of Self-Governance-FY21 477 2021-2023	15.U01		-	(49,277)
Office of Self-Governance-FY21 477 2024-2026	15.U02		52,710	14,912,151
TANF 21	15.U01		88,199	618,714
Total 477 Cluster			140,909	15,549,059
Tribal Self Governance:				
Office of Self-Governance-FY17 linked to Tiwahe 10117	15.022		-	318,696
Office of Self-Governance-FY18 linked to Tiwahe 10118	15.022		-	3,611
Office of Self-Governance-FY19, linked to Tiwahe 10119	15.022		-	7,337
Office of Self-Governance-FY20	15.022		273,819	601,955
Office of Self-Governance-FY21	15.022		-	4,583,101
Office of Self-Governance-FY22	15.022		75,000	732,284
Office of Self-Governance-FY23	15.022		413,753	583,536
Office of Self-Governance-FY24	15.022		2,136,613	3,032,856
Office of Self-Governance-FY25	15.022		398,891	10,529,329
COVID-19 OSG American Rescue Plan Act 2021	15.022		57,539	57,539
COVID-19 OSG American Rescue Plan Act HIP 2021	15.022		-	122,462
Office of Self-Governance-FY23 - EMG ATG OIP Funds	15.022		2,708,670	2,708,670
Total Tribal Self Governance			6,064,285	23,281,376
Total Department of the Interior			6,205,194	38,846,286
Department of Transportation				
Highway Planning and Construction:				
Federal Transportation IRR FY 12	20.205		-	6,601
Federal Transportation IRR FY 13	20.205		-	39
Federal Transportation IRR FY 14	20.205		-	1,042,867
Federal Transportation IRR FY 15	20.205		-	38,886
Federal Transportation IRR FY 16	20.205		-	10,892
Federal Transportation IRR FY 17	20.205			1,226
Federal Transportation IRR FY 18	20.205			1,135,800
Federal Transportation IRR FY 23	20.205		-	39
Federal Transportation IRR FY 24	20.205		-	1,111
Federal Transportation IRR FY 25	20.205		-	1,869,231
Safety - Transportation	20.205		-	17,975
Total Highway Planning and Construction			-	4,124,667

Association of Village Council Presidents

Schedule of Expenditures of Federal Awards, continued
Year Ended December 31, 2025

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 2024-2025 Tribal Response Program	66.817		$ -	$ 48,105
AVCP 2025-2026 Tribal Response Program	66.817		-	20,985
Total State and Tribal Response Grants Program			-	69,090
Indian Environmental General Assistance Program (GAP):				
Indian Environmental General Assistance Program 2024	66.926		-	99,525
Indian Environmental General Assistance Program 2025	66.926		-	134,000
Indian Environmental General Assistance Program 2026	66.926		-	13,974
Total Indian Environmental General Assistance Program				247,499
Total Environmental Protection Agency			-	316,589
Department of Education				
American Indian Vocational Rehabilitation Services:				
Vocational Rehabilitation 2024	84.250		-	392,715
Vocational Rehabilitation 2025	84.250		-	177,051
Total American Indian Rehabilitation Services			-	569,766
Department of Health and Human Services				
Low-Income Home Energy Assistance:				
Low-Income Home Energy Assistance - Disaster Relief Supp. App	93.568		-	(3,132)
Low-Income Home Energy Assistance - FY 19	93.568		-	(94)
Low-Income Home Energy Assistance - FY 21	93.568		-	(1,584)
Low-Income Home Energy Assistance - FY 23	93.568		-	(2,596)
Total Low-Income Home Energy Assistance			-	(7,406)
Head Start -				
Federal Head Start FY25	93.600		-	3,061,251
MaryLee Allen Promoting Safe and Stable Families Program:				
Promoting Safe & Stable Families 2021 (2019-2020)	93.556			29,516
Promoting Safe & Stable Families 2021 (2023-2024)	93.556		-	74,506
Promoting Safe & Stable Families 2021 (2024-2025)	93.556		-	24,322
Total MaryLee Allen Promoting Safe and Stable Families Program			-	128,344

Association of Village Council Presidents

Schedule of Expenditures of Federal Awards, continued
Year Ended December 31, 2025

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 2022	93.047		$ 18,954	$ 18,954
Older Americans Act Title VI, Part A 2023	93.047		-	30,000
Older Americans Act Title VI, Part A 2024	93.047		-	70,948
Total Special Programs for the Aging, Title VI, Part A, Grants to Indian Tribes Part B, Grants to Native Hawaiians			18,954	119,902
Stephanie Tubbs Jones Child Welfare Services Program:				
Child Welfare Social Services 2021	93.645		-	56,448
Child Welfare Social Services 2025	93.645		-	725
Total Stephanie Tubbs Jones Child Welfare Services Program			-	57,173
Total Department of Health and Human Services			18,954	3,359,264
Department of Agriculture				
Passed through the State of Alaska Department of Education and Early Development:				
Child and Adult Care Food Program:				
FY 25 CACFP Program	10.558	MA-720401	-	109,928
FY 26 CACFP Program	10.558	MA-720401	-	52,367
Total Child and Adult Care Food Program			-	162,295
Department of Justice				
Public Safety Partnership and Community Policing Grants - COPS Tribal Resources Grant Program 2024	16.710		74,700	74,700
Department of the Treasury				
Passed through the State of Alaska Department of Commerce, Cummunity, and Economic Development - COVID 19 - Coronavirus Capital Projects Fund - YK Delta Community Facilities CCP Grant	21.029	21-CCP-04	-	2,347,165
Department of Commerce				
Passed through the Alaska Native Tribal Heatlh Consortium - Office for Coastal Management	11.473	25-U-6002046	-	223,660
Denali Commision				
Denali Commission Program	90.100		-	15,771
Total Expenditures of Federal Awards			$ 6,298,848	$ 50,040,163

The accompanying notes are an integral part of this schedule.

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 (the Association) under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Association, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Association.

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

The Association has elected not to use the 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 the Association. The programs included in the 477 Plan at December 31, 2025 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

5. Assistance Listing Number 21.029

The Association reported COVID 19 - Coronavirus Capital Projects Fund (ALN 21.029) expenditures of $176,462 on the Schedule for the year ended December 31, 2025, that were associated with prior year expenditures.

Association of Village Council Presidents

Schedule of State Financial Assistance
Year Ended December 31, 2025

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 2025	164-266-25001	$ 4,702,500	$ -	$ 1,824,425
Native Family Assistance Program 2026	164-266-26001	3,927,837	-	2,566,552
Total Department of Health and Social Services			-	4,390,977
Department of Public Safety				
* Village Public Safety Officer Program 2025	25-401	2,279,175	-	1,429,744
* Village Public Safety Officer Program 2026	26-401	2,500,000	-	1,532,629
Total Department of Public Safety			-	2,962,373
Department of Education and Early Development				
* Alaska Head Start 2025	HS 25.066.01	645,128	-	645,128
Total Department of Education and Early Development			-	645,128
Department of Commerce, Community and Economic Development				
Yukon-Kuskokwim Delta Community Facilities (CCP) Grant	21-CCP-04		-	(176,462)
Total Department of Commerce, Community, and Economic Development			-	(176,462)
Total State Financial Assistance			$ -	$ 7,822,016

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 award activity of Association of Village Council Presidents (the Association) under programs of the State of Alaska for the year ended December 31, 2025. 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 the Association, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Association.

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
2026 Native Family Assistance Program
Grant # 164-266-26001
Schedule of Revenues and Expenses - Budget to Actual
For the Year Ended December 31, 2025

	Budget	Actual	Variance With Budget
Revenues			
State of Alaska	$ 3,927,837	$ 2,566,552	$ (1,361,285)
Expenses			
Direct Expenses			
Indirect costs	485,177	233,969	251,208
Other costs	3,442,660	2,332,583	1,110,077
Total Expenses	3,927,837	2,566,552	1,361,285
Excess of Revenues Over Expenses	$ -	$ -	$ -

Association of Village Council Presidents

Department of Health and Social Services
2025 Native Family Assistance Program
Grant # 164-266-25001
Schedule of Revenues and Expenses - Budget to Actual
For the Year Ended December 31, 2025

		Actual			Variance With
	Budget	Prior Years	2025	Total	Budget
Revenues					
State of Alaska	$ 4,702,500	$ 2,878,075	$ 1,824,425	$ 4,702,500	$ -
Expenses					
Direct Expenses					
Personnel	1,561,875	817,861	557,541	1,375,402	186,473
Other costs	3,140,625	2,060,214	1,266,884	3,327,098	(186,473)
Total Expenses	4,702,500	2,878,075	1,824,425	4,702,500	-
Excess of Revenues Over Expenses	$ -	$ -	$ -	$ -	$ -

Association of Village Council Presidents

Department of Education and Early Development
2025 Alaska Head Start
Grant # HS 25.066.01
Schedule of Revenues and Expenses - Budget to Actual
For the Year Ended December 31, 2025

	Budget	Actual	Variance With Budget
Revenues			
State of Alaska	$ 645,128	$ 645,128	$ -
Expenses			
Direct Expenses			
Salaries and wages	351,837	309,043	42,794
Fringe	62,089	104,883	(42,794)
Professional services	24,846	24,846	-
Building heating fuel	92,105	92,123	(18)
Supplies	24,930	24,912	18
Postage and freight	2,544	2,544	-
Training	2,390	2,390	-
Meals	240	240	-
Indirect	84,147	84,147	-
Total Expenses	645,128	645,128	-
Excess of Revenues Over Expenses	$ -	$ -	$ -

Association of Village Council Presidents

Department of Education and Early Development
2026 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, 2025

	Budget	Actual	Variance With Budget
Revenues			
Federal pass-through			
State of Alaska	$ 413,454	$ 52,367	$ (361,087)
Expenses			
Direct Expenses			
Supplies	10,000	1,744	8,256
Meals	389,454	48,909	340,545
Postage/Freight	14,000	1,714	12,286
Total Expenses	413,454	52,367	361,087
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, 2025

		Actual			Variance With
	Budget	Prior Years	2024	Total	Budget
Revenues					
Federal pass-through					
State of Alaska	$ 315,158	$ 52,408	$ 109,928	$ 162,336	$ (152,822)
Expenses					
Direct Expenses					
Supplies	10,000	2,099	3,385	5,484	4,516
Meals	291,158	47,768	103,199	150,967	140,191
Postage/Freight	14,000	2,541	3,344	5,885	8,115
Total Expenses	315,158	52,408	109,928	162,336	152,822
Excess of Revenues					
Over Expenses	$ -	$ -	$ -	$ -	$ -

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 the Association of Village Council Presidents (the Association), which comprise the Association's statement of financial position as of December 31, 2025, 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 August 25, 2026.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matter

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*.

Purpose of This Report

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

BDO USA, P.C.

Anchorage, Alaska
August 25, 2026

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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 the 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, 2025. The Association's major federal programs are identified in the Summary of Opinions section of our report.

Summary of Opinions

Major Federal Program	*Type of Opinion*
Tribal Self Governance	Qualified
Highway Planning and Construction	Unmodified
COVID-19 - Coronavirus Capital Projects Fund	Unmodified
Head Start	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, 2025.

Unmodified Opinion on Highway Planning and Construction, COVID-19 - Coronavirus Capital Projects Fund, and Head Start

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, 2025.

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 the accompanying schedule of findings and questioned costs, and as identified in the table below, the Association did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2025-001	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

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 a deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

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 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.

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.

BDO USA, P.C.

Anchorage, Alaska
August 25, 2026

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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 the 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 Supplements (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, 2025. 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, 2025.

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 item 2025-002. 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 on the Association's response to the noncompliance finding 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 a deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-002 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the 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’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.

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
August 25, 2026

Association of Village Council Presidents

Schedule of Findings and Questioned Costs
Year Ended December 31, 2025

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?	___ yes	X 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?	___ yes	X none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified for Head Start, COVID-19 - Coronavirus Capital Projects Fund, Highway Planning and Construction major programs, 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
20.205	Highway Planning and Construction
21.029	COVID-19 - Coronavirus Capital Projects Fund
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs: $1,501,204

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*

There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

<u>**Finding 2025-001**</u>	**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 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 GT-OSGT812- Year 2026
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 subaward report by the end of the month following the month of the subaward.
Condition	The Association did not report the current year subaward data to the FSRS within the required time. Additionally, the Association did not retroactively submit the report information for the subawards that were executed in the prior years but had active funding in the current year.
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 the subaward data for the Tribal Self Governance subrecipients for awards executed in 2025 were reported but not within the required time. Additionally, the subawards executed in previous years with active funding were not reported per the requirements of the Federal Funding Accountability and Transparency Act.
Identification as a Repeat Finding	Yes, 2024-002.
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. The Association has retroactively filed reports in fiscal year 2026 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 for the prior years. The Association has implemented controls to ensure that reports are filed within the given timeline.

Section IV - State Award Findings and Questioned Costs

Finding 2025-002	**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** 25-401 - Year 2025 26-401 – Year 2026
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 a monthly expenditure report in accordance with the grant requirements.
Questioned Costs	None Identified.
Context	We tested 2 quarterly financial reports, 2 monthly expense reports, and 4 monthly program reports. 1 of the monthly expense reports was not submitted to the granting agency.
Effect or potential effect	AVCP was not in compliance with grant reporting requirements.

Cause	The 2026 grant agreement re-introduced monthly expenditure reports and due to a transition period of positions the first monthly report due was not submitted.
Identification as a Repeat Finding	Yes, 2024-006.
Recommendation	We recommend the Association design and implement internal control procedures to ensure compliance with the grant reporting requirements.
Views 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.

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Unaudited Information

Contact: Joe Martin, Chief Financial Officer
Phone: 907-543-7331

Summary of Prior Year (FY 24) Findings

Finding 2024-01 Significant Deficiency in Internal Controls over Financial Reporting – Reconciliation of Grants Revenue

Prior Year Finding: 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.

Current Year Status: This finding has been corrected in the current year.

Finding 2023-001 and 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
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: The Association did not report subaward data through FSRS for the program.

Current Year Status: Repeated as finding 2025-001 and reported in the current year.

AVCP had updated their process to submit the data for subawards executed in 2025 but did not submit the reports within the given deadline. Subawards that are active but executed in previous years were also not submitted retroactively in the current year. AVCP has retroactively submitted the reports in fiscal year 2026 and have implemented controls to ensure that reports are filed on a timely basis.

Contact: Joe Martin, Chief Financial Officer
Phone: 907-543-7331

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

Prior Year Finding: The Association was not consistently following their own internal control procedures for keeping evidence of reviewing the eligibility certification form.

Current Year Status: This finding has been corrected in the current year.

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
GT-OSGT812- Year 2020
GT-OSGT812- Year 2021
GT-OSGT812- Year 2022
GT-OSGT812- Year 2023
GT-OSGT812- Year 2024
GT-OSGT812- Year 2025

Prior Year Finding: 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.

Current Year Status: This finding has been corrected in the current year.

Contact: Joe Martin, Chief Financial Officer
Phone: 907-543-7331

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
ALN 84.250 American Indian Vocational Rehabilitation Services

Agencies: Department of Interior
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

Prior Year Finding: 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.

Current Year Status: This finding has been corrected in the current year.

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

Prior Year Finding: The Association did not submit reports in accordance with grant requirements.

Contact: Joe Martin, Chief Financial Officer
Phone: 907-543-7331

Current Year Status: Repeated as finding 2025-002 and reported in the current year.

AVCP did not submit an expenditure report in accordance with the grant requirements. The Association has created a monthly reporting procedure for internal distribution and verification to ensure that each report is filed in a timely manner.

Finding 2024-007 Significant Deficiency in Internal Control over Compliance and Noncompliance – Reporting Deadline for State Single Audit

Questioned Programs: Village Public Safety Officer & Native Family Assistance Program

Agencies: Department of Public Safety & 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

Prior Year Finding: 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.

Current Year Status: This finding has been corrected in the current year.

ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS

Thaddeus Tikiun Jr., Chairperson | Vivian Korthuis, CEO | AVCP.org

Contact: Joe Martin, Chief Financial Officer
Phone: 907-543-7331

FY 25 Corrective Action Plan

Finding 2025-001 **Material Weakness in Internal control Over Compliance and Materia Noncompliance – Reporting**

Condition: The Association did not report the current year subaward data to the FSRS within the required time. Additionally, the Association did not retroactively submit the report information for the subawards that were executed in the prior years but had active funding in the current year.

Status: In Progress

Corrective Action: In 2026, AVCP has retroactively filed reports in fiscal year 2026 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 for the prior years. The Association has implemented controls to ensure that reports are filed within the given timeline.

Finding 2025-002 **Significant Deficiency and Noncompliance in Internal Control Over Compliance - Reporting**

Condition: The Association did not submit a monthly expenditure report in accordance with the grant requirements.

Status: In Progress

Corrective Action: In 2026, a consistent monthly reporting procedure has been developed, through internal distribution and verification of the monthly reports, to ensure that each report is timely filed.