

Summit Lake Paiute Tribe
Special Council Meeting
Friday, November 22, 2024
Administrative Office, 2255 Green Vista Dr., Ste. 401 Sparks, Nevada

CALL TO ORDER: Chairwoman Randi Lone Eagle called the Special Meeting of Friday, November 22, 2024 to order at 12:08 am.

ROLL CALL: Secretary/Treasurer Eugene Mace, Sr. called the roll: Chairwoman Randi Lone Eagle, present; Vice-Chairwoman, Nedra Crane, present; Secretary/Treasurer Eugene Mace, Sr., present; Council Member Phillip Frank, present; and Council Member, Steven Crane, present.

STAFF: Jenn Pielop, Finance Clerk

GUEST: Gemma Han, BlueBirds CPAs

Ms. Han welcomed everyone to the 2023 audit presentation. She wants to discuss a finding today.

They went over inventory not being done due to the pandemic or the fault of the Finance Department for the years 2022 and 2023. Ms. Han asked it had been done in 2024.

Also, draw-downs were not happening.

The SF-425 reports were not completed and the tribe could only current the fourth quarter.

Audit Requirements

She explained why Annual Audits are required for accountability. If the Tribe receives Grant total funding over \$750,000 or if they have a loan, the Grantor and/or the financial institution require an audit. They are talking about raising the amount to one million dollars. There is also accountability to the Tribal Council and Members. Audit is due by September, 2023. Any extensions must be granted federally and rarely, if ever, happen.

Reporting Options

The Audit Report includes: Single Audit report of grants and contracts including financial statements, note disclosures and supplemental schedules, findings if there are any, and then the financial statements go to the granting agency for their check of grant expenditure. If there was an enterprise report, that would be separate report. It would be for accountability to the Council only and is not required to be filed or have a set deadline.

Things to Remember:

BlueBird CPAs are not responsible for the financial statement. They are responsible for providing an opinion on the financial statements.

Audit Procedures

Audit of Procedures includes risk assessment, fraud assessment, planning and preliminary analytical review, review of journal entries and daily revenue, AP and payroll postings, grouping of accounts to the financial statements (GAAP), and substantive tests of account balances (vouching, search for liabilities, tracing, confirmation, predictive tests and control total testing, then it is sent to the federal clearing house where all reports concerning federal grants. Tribal reports are private, confidential.

Types of Audit opinions

Unmodified-this is best, a clean bill

Qualified-with some reservation

Adverse-financials are not presented in accordance with GAAP

Disclaimer-unable to form an opinion

Although the SLPT numbers had an unmodified opinion, compliance had a modified opinion.

Financial Highlights:

The fund balances increased from 2022 to 2023. The net change is \$395,769. This is due to COVID ARPA funds. While revenues increased, so did expenses. For the statement of position cash decreased and liabilities went up for a net position of \$2,016,785. Grants are the greatest amount of revenues. She explained the governmental uses of revenue. She then showed the liabilities and equity for FY 2023 net position of 51% and liabilities of 49%.

Ms. Han reviewed the slides based on Summit Lake's revenues and expenses, the statements of net position. The Trial Balance is compared to prior year. Bank confirmation of statements presented for review are checked for accuracy. The amount matches. Journal entries are reviewed. The fewer Journal entries a business has the better their internal controls. SLPT has few journal entries required at audit.

Auditors also give an opinion of internal control and compliance, how the Tribe follows the rules and federal regulations.

The Opinions for SLPT:

Financial Statements – Unmodified

Compliance – Qualified and Unmodified

Single Audit Findings:

- **Finding 2023-001:** Criteria: Sound internal controls require management to perform physical inventory of capital assets, compare the physical inventory to

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the capital assets listing and reconcile both the physical count and the listing of assets with the general ledger accounts and capital asset listing.

Condition: The Tribe has not performed a physical inventory of their capital assets in the past two years.

Cause: The Tribe did not have sufficient staffing to undertake a capital asset inventory.

Recommendation: BlueBirds recommends that a physical inventory of the capital assets be taken periodically, and related records be updated in a timely and appropriate manner. Significant discrepancies in capital assets identified through the physical inventory should be investigated and resolved as thoroughly as possible.

- **Finding 2023-002:** Equipment and Real Property Management-Capital Asset Inventory—Criteria: A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
Condition: The Tribe has not performed a physical inventory of their capital assets in the past two years. Questions costs are not applicable as this instance of noncompliance is procedural in nature and does not represent mischarges amounts to a grant.
Cause: The Tribe did not have sufficient staffing to undertake a capital asset inventory.
Recommendation: BlueBirds recommends that a physical inventory of the capital assets be taken periodically, and related records be updated in a timely and appropriate manner. Significant discrepancies in capital assets identified through the physical inventory should be investigated and resolved as thoroughly as possible.
- **Finding 2023-003:** Reporting Criteria: The Providing Water to At-Risk Desert Terminal Lake Program requires quarterly SF-425 reports to be filed within 30 days of the quarter ending. The Providing Water to At-Risk Desert Terminal Lake Program requires interim and annual financial report to be filed by May 1, 2023 and November 1, 2023. The Coronavirus State and Local Fiscal Recovery Funds requires an annual project and expenditure report to be filed by April 30, 2024.
- **Condition:** The Providing Water to At-Risk Desert Terminal Lake Program quarterly SF-425 reports were filed late and the amounts did not reconcile with the general ledger for the following contracts: R11AV20023, R20AV00010. The Providing Water to At-Risk Desert Terminal Lake Program annual financial report was not filed for the following contract: 40577. The Providing Water to At-Risk Desert Terminal Lake Program interim financial report was filed late for the following contact:70986. The Coronavirus State and Local Fiscal Recovery Funds annual report and expenditure report was filed late and the amount did not reconcile with the general ledger.

- **Finding 2023-004: Insufficient Cash to Cover Unearned Revenues.** Criteria: Sound internal controls require that Tribal Management maintain sufficient cash and cash equivalent balances to cover the total unearned revenue balances.

Condition: As of December 31, 2023, the Tribe pooled cash to pay for grant expenditures. At December 31, 2023, unearned revenues totaled \$1,670,279 while cash only totaled \$864,041.

The Tribe used Coronavirus State and Local Fiscal Recovery funds to temporarily support other federal grant fund expenditures.

Recommendation: The Tribe should continue working with the grantor agencies to resolve this matter.

Status of Prior Year Audit Findings

Finding 2022-02: **Insufficient Cash to Cover Unearned Revenues**

Condition/Context : As of December 31, 2022, the Tribe pooled cash to pay for grant expenditures. At December 31, 2022 , unearned revenues totaled \$3,592,307 while cash only totaled \$3,520.164.

Status: Not resolved, see finding 2023-004.

Discussion Points

Accounting Practices and Estimate:

- GASB Statement No. 49, Public-Private and Public-Public Partnerships and Availability Payment Arrangements.
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements
- GASB Statement No. 99, Omnibus 2022, paragraphs 11-25

Significant Estimates:

- Depreciation Expense

Significant Disclosures:

- Note 6: Long-term debt transactions
- Note 9 and 10: Contingencies and economic dependence relating to grant expenditures.

BlueBird's impact with the Audit:

- Difficulties Encountered: None

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- Disagreements with Management: No disagreements noted
- ne
- Corrected and Uncorrected Misstatements
 - Corrected:
 - Understatement of cash by \$9,541
 - Understatement of accounts payable by \$72,229
 - Uncorrected:
 - Understatement of accounts payable by \$11,685

Mrs. Lone Eagle asked if there were two findings. Ms. Han said there were three.

There was discussion about the findings.

If she has any questions, Mrs. Lone Eagle is welcome to contact Ms. Han.

There was a discussion regarding Mr. Carslaw.

The Chairwoman said the Mr. Naveed Frank had the audit booklet and that he would contact Ms. Han if he had any questions. Ms. Han said he could contact her.

The CPA for the Tribe is Charles Carslaw.

Mrs. Lone Eagle received a letter.

Mrs. Lone Eagle knew of two of the findings before Ms. Han came.
There was a discussion concerning the actions of the prior Finance Director during COVID.

She knows they need a corrective action plan. She will get it out to them.

There was talk about Mr. Simmons.

Ms. Crane asked the Chair woman something. Mrs. Lone Eagle said that there are too many folders.

Ms. Pielop said she knew where the file folders were if that helps.

Mrs. Lone Eagle does not like findings. She mentioned the Treasury.

She just received something from the SLFRF. She read the letter. It talked about SLPT having an obligation.

Mrs. Lone Eagle joined Mr. Howard on a phone call. The caller was trying to combine

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the money that was LACTF and ARPA.

Mrs. Lone Eagle did not have any questions on the audit.

Keep the audit on your minds. Mrs. Lone Eagle was asked why SLPT was not spending their money.

Mrs. Lone Eagle said she did not have anything else.

Ms. Crane has been thinking about things for ARPA.

MOTION: Vice-Chairwoman Nedra Crane moved to adjourn the meeting. Council Member Scott Cory Burdette seconded the motion. Chairwoman Rand Lone Eagle called the vote: 4 FOR; 0 AGAINST; 0 ABSTAINED. The meeting was adjourned at 1:03 PM.

CERTIFICATION

I, Philip Frank, Secretary/Treasurer of the Summit Lake Paiute Tribal Council, hereby certify that the Minutes of the November 22, 2024 Special Council Meeting were approved by the Council during a duly held meeting December 18, 2024 at which there was a quorum present, and the Council voted:

4- FOR 0- AGAINST 0-ABSTAINING, Chairwoman Randi Lone Eagle did not vote because there was not a tie vote.

12-18-24
Date

Philip Frank
Philip Frank
Secretary/Treasurer
Summit Lake Tribal Council