NORTHERN ARAPAHO TRIBE

2024 Audit

Financial Accountability and the Path Forward

Business Council • Programs • Finance

Governmental Department, fiscal year ended December 31, 2024 | Auditor report: September 29, 2026

The four questions we will answer

A common understanding before we review the audit results.

1 Where does the money come from?

Casino and WREC revenue; federal grant funding.

2 How is it managed?

Approved purchases, grant expenses, Balance Sheet accounts and monthly reconciliation.

3 What does the audit say?

Financial statement audit, federal compliance testing, findings and the audit opinions.

4 What evidence should leadership receive each month?

Why the Tribe has an independent audit

An audit gives outside readers evidence about reported finances and compliance.

Financial reporting

Can the financial statements be supported by reliable records?

Federal compliance

Were selected major federal awards managed in accordance with applicable requirements?

Trust and decisions

What issues need correction before leaders can depend on the information?

An audit examines records after the fact. Management must act during the year.

Where General Fund revenue comes from

The primary revenue sources identified by Tribal leadership are:

CASINO + WREC

Primary revenue sources supporting the General Fund

The General Fund supports general Tribal government operations and services.

Tribal-funded General Fund spending is not federal SEFA spending.

A federal award comes with conditions

Before spending, a program must know what the award permits.

Purpose

What service or objective does the funding support?

Restrictions

Which costs and procurement methods are allowed?

Proof

Can we produce the approval, invoice, receipt and grant report?

Grant costs must be charged to the correct award and supported.

A federal cost needs two identifiers

Finance must know which accounting fund and which grant are affected.

ACCOUNTING FUND

Which fund records the cash, expenditure, liability or interfund amount?

This keeps the fund financial statements accurate.

FEDERAL AWARD CODE

Which grant agreement is responsible for the eligible expense?

This supports award reports and the annual SEFA.

The same transaction should be traceable from both directions.

CFDA is now called the ALN

ALN identifies the federal PROGRAM - not the specific award.

21.027

Assistance Listing Number (ALN)

Formerly called CFDA. Example: the Treasury Coronavirus State and Local Fiscal Recovery Funds program.

Program identification is different from the grant award number.

The SEFA reports FEDERAL award expenditures

SEFA = Schedule of Expenditures of Federal Awards.

ON THE FEDERAL SEFA

Expenditures supported by federal awards during the fiscal year.

Organized by federal program / ALN, with award information.

Used to identify major federal programs.

NOT ON THE FEDERAL SEFA

Tribal-funded General Fund activity.

Bank balances or cash available to spend.

Every expense of every Tribal entity.

The funding source determines SEFA inclusion; the General Fund name alone does not.

The 2024 SEFA reports $16.2 million

This is the total of federal award expenditures shown in the filed schedule.

$16.2M

Reported federal award expenditures

Includes approximately $5.39M for the 477 Cluster and $2.54M for Treasury ALN 21.027.

Reported in the audit; not independently assured because of the disclaimer.

One program can include several awards

The 2024 477 Cluster demonstrates the difference between ALN and award number.

Federal program (ALN)	Specific award	2024 expenditures
477 Cluster / 15.U01	A21AV00791	$5,391,459
477 Cluster / 15.U01	A19AV00447	($1,142)
477 Cluster / 15.U01	A24AV01019	$233
TOTAL 477 CLUSTER		$5,390,550

Source: 2024 SEFA, printed p. 73. Negative amount represents an adjustment in the schedule.

Single Audit and SF-425 use different views

Both must tie back to the same award-level accounting records.

SEFA / SINGLE AUDIT

Uses federal agency and ALN / CFDA to organize federal program expenditures for the fiscal year.

Individual awards can roll up into one program total.

SF-425 FEDERAL REPORT

Usually reports cumulative financial activity for a specific award number and reporting period.

Some awards use different reports, not SF-425.

Program (ALN) and award number are both essential.

One expense, two reporting destinations

The underlying records must support both views.

01

Approved cost

Program confirms amount and purpose.

02

Ledger entry

Finance records fund + award + date.

03

Award report

SF-425 or program report by award.

04

Annual SEFA

Program totals by ALN for the fiscal year.

Reconcile timing, accounting basis and any adjustments before filing.

Programs manage grant expenses as work happens

Know the award budget, rules and commitments before authorizing spending.

Before ordering

Confirm grant purpose, budget, cost allowability and required quotations.

Before paying

Verify approval, delivery or service completion and correct invoice.

Each month

Compare grant budget, actual costs, commitments and reported spending.

Programs own the purpose and validity of the grant expense.

Five steps to support every purchase

Typical purchase of goods: complete and retain the record before payment.

01

Quote / bid

Document price and vendor selection.

02

Approved PO

Authorize BEFORE placing the order.

03

Goods receipt

Verify quantity and condition.

04

Invoice

Compare billed terms to PO and receipt.

05

Payment

Release only after required checks.

Then Finance records the expense and reconciles the payment.

The three-way match prevents avoidable errors

Three documents should agree before paying the invoice.

Approved PO

What was authorized?
Vendor • item • quantity • price

Receiving record

What actually arrived or what service was accepted?

Vendor invoice

What is the vendor asking the Tribe to pay?

Match before payment. Resolve differences instead of forcing them through.

Approval is not the same as reconciliation

The full payment trail must be verified and recorded.

01

Authorization

Was the purchase permitted?

02

Receipt

Were the goods/services received?

03

Payment

Did we pay the correct amount?

04

Reconciliation

Do ledger and bank agree?

Every stage should leave evidence that can be reviewed.

Each report answers a different financial question

Do not confuse expense activity with cash or outstanding balances.

Income Statement

How much revenue and expense did the grant recognize during the period?

Balance Sheet

What cash, receivables, payables and obligations exist on a date?

SEFA

How much federal award expenditure is reported for the fiscal year?

A zero-grant net result does NOT mean all balances are zero.

Grant revenue and costs can offset to zero

Illustrative fully reimbursable grant with eligible expenses recognized.

Grant income statement	Amount	Meaning
Eligible grant revenue	$100,000	Reimbursement earned
Eligible expenses	($100,000)	Program work paid / incurred
NET RESULT	$0	Revenue matched expenses

Zero net result does not mean zero spending.

The Balance Sheet is a snapshot

It shows what a fund has and what it owes at one point in time.

ASSETS

Cash in bank
Grant receivables
Due From other funds
Other recorded assets

LIABILITIES

Bills and obligations
Unearned grant revenue
Due To other funds
Other recorded amounts owed

Income and expense accounts can net to zero while these balances remain.

Grant receivable: the agency owes the Tribe

The Tribe has earned reimbursement but has not yet received all the cash.

$20,000

Grant receivable - ASSET

Example: $100,000 of eligible reimbursable cost, but only $80,000 cash received. The remaining $20,000 is a claim for reimbursement.

Receivable is NOT cash already in the bank.

Unearned revenue: cash received before it is earned

Grant cash can be held even though the Tribe has not yet earned it.

$40,000

Unearned revenue - LIABILITY

Example: $100,000 federal cash advance and $60,000 of qualifying revenue earned. The remaining $40,000 has conditions outstanding.

Bank cash is not necessarily unrestricted Tribal money.

Why a grant can show $0 and still have balances

Income Statement and Balance Sheet measure different things.

GRANT INCOME STATEMENT

Earned grant revenue
$100,000

Eligible expenses
($100,000)

NET = $0

POSSIBLE BALANCE SHEET ITEMS

Grant receivable: funding still owed

Unearned revenue: advance not earned

Due To / Due From: other funds owed

Finance must reconcile each Balance Sheet account separately.

What happens when one fund pays for another?

A temporary payment between funds creates a balance to be settled.

GENERAL FUND

Pays $10,000 of a grant fund expense temporarily.

Records a right to be repaid.

GRANT FUND

Receives the benefit of a $10,000 payment.

Records a debt to the General Fund.

This does not create a second $10,000 of revenue.

Due From and Due To describe the same relationship

The two records should be equal and traceable.

GENERAL FUND - ASSET

DUE FROM the grant fund

$10,000

This fund expects repayment.

GRANT FUND - LIABILITY

DUE TO the General Fund

$10,000

This fund owes repayment.

Two sides of ONE $10,000 balance.

The 2024 statements show interfund balances

These are the amounts shown in the filed statements.

REPORTED DUE FROM - ASSETS

General Fund
$954,433

Arapaho Utilities
$59,881

Total: $1,014,314

REPORTED DUE TO - LIABILITIES

Governmental funds together reported

$1,014,314

as amounts due to other funds.

The amounts are reported, NOT auditor-verified. Finance must reconcile them.

A balance that is never cleared becomes hard to explain

Old interfund balances can require years of transaction reconstruction.

01

Recorded

One fund pays for another.

02

Matched

Both Due To / From entries agree.

03

Settled

Cash is repaid or proper adjustment made.

04

Reviewed

Finance verifies remaining balances monthly.

Unmatched balances can grow until nobody can prove what is owed.

Why a fund cash balance can appear negative

Illustrative example: a fund-level ledger deficit is not proof of a bank overdraft.

Accounting view	Cash amount	Interpretation
Program A fund	($20,000)	Possible funding/timing/coding issue
Program B fund	$120,000	Shows positive fund cash
Combined bank account	$100,000	Bank may still be positive

First determine which fund owns the cash and why balances differ.

Negative fund cash is an exception to investigate

A negative accounting figure is a warning - not a diagnosis.

Reimbursement timing

Eligible costs may occur before the agency sends cash.

Interfund balance

Another fund may have paid expenses temporarily.

Posting or coding error

The wrong fund, date or account may have been charged.

Compare fund ledgers, Due To / From and actual bank statements monthly.

Separate bank accounts can improve visibility

Design accounts around funding source and objective where the benefit outweighs the cost.

WHAT SEPARATION CAN IMPROVE

Cash attributable to a specific objective
Clearer deposits and disbursements
Simpler bank statement matching
Earlier exception detection

WHAT IT DOES NOT SOLVE ALONE

Historical Due To / From differences
Old miscodings and unsupported entries
Missing purchase documentation
Failed monthly reconciliations

More bank accounts are useful only when properly governed and reconciled.

A new account does not erase an old discrepancy

Clean up historical balances while improving the design for future activity.

HISTORICAL CLEANUP

Tie the accounting records to original statements.

Match Due To with Due From.

Find supporting documents and approve corrections.

FUTURE PREVENTION

Choose accounts by funding and purpose.

Post expenses to the correct fund and award.

Reconcile every bank and interfund account monthly.

Prevention is faster and less expensive than reconstruction.

Finance manages Balance Sheet reliability

Every material Balance Sheet account needs evidence and ownership.

CASH

Compare bank statements with the ledger; investigate negative and stale balances.

INTERFUND

Match Due To and Due From between funds; clear or document balances.

GRANT BALANCES

Reconcile receivables, unearned revenue and reported expenditures.

Reconciled monthly reporting should be routine, not an annual audit exercise.

Programs and Finance have distinct responsibilities

Neither team can produce a reliable audit trail alone.

PROGRAMS: MANAGE SPENDING

Track award budget and commitments
Confirm eligible spending and approvals
Verify receipt of goods and services
Resolve spending exceptions

FINANCE: MANAGE RECORDS

Record correct fund and award codes
Manage payments and revenue recognition
Reconcile cash, receivables, liabilities, interfund
Prepare timely financial reports

NABC receives and reviews the complete picture.

Why the Single Audit cannot manage daily activity

The 2024 audit was issued on September 29, 2026.

01

During 2024

Programs spent money and Finance recorded activity.

02

During 2025

Management needed timely reports and controls.

03

September 2026

The independent audit reported on 2024.

The annual audit looks backward. Control and reconcile while business happens.

The General Fund is included - but tested differently

Two examinations are included in this 2024 Single Audit reporting package.

FINANCIAL STATEMENT ENGAGEMENT

Includes the General Fund and other governmental funds in this audit.

Addresses the reliability of reported financial statements.

2024 result: NO OPINION (disclaimer).

FEDERAL PROGRAM COMPLIANCE

Focuses on selected major federal programs.

Examines grant requirements: allowable costs, procurement and reporting.

2024 result: QUALIFIED opinions.

Included in financial statements does NOT mean tested as a federal grant.

The auditors reported two different results

Do not describe this as a clean audit.

FINANCIAL STATEMENTS: DISCLAIMER

Auditors did not obtain sufficient evidence to express an opinion on the financial statements.

This includes General Fund reporting.

MAJOR FEDERAL PROGRAMS: QUALIFIED

Auditors reported compliance in material respects, except for identified matters for major federal programs.

A disclaimer is not proof of fraud; it means sufficient audit evidence was not available.

Why could the auditors not verify financial reporting?

Important accounts and disclosures were not adequately supported.

Accounts not reconciled

Cash, receivables, transfers, liabilities, capital assets and depreciation.

Accounting / records gaps

Leases and technology-related contracts could not be fully audited.

Governance records

Council minutes and some legal counsel responses were not provided.

A financial statement without supporting evidence cannot provide assurance.

Fifteen findings across two areas

An audit finding describes a control deficiency or compliance issue.

8 FINANCIAL STATEMENT FINDINGS

5 material weaknesses
3 significant deficiencies

Examples: reconciliations, journal entries, receipts, checks and payroll.

7 FEDERAL AWARD FINDINGS

5 material weaknesses
2 significant deficiencies

Examples: federal reporting, allowable costs, grant match and procurement.

Finding does not automatically mean fraud, loss or missing cash.

The purchase workflow addresses actual audit findings

Missing documentation and approvals increase the risk of incorrect payments.

Payment approvals

2 of 40 disbursements tested lacked documented approval.

Expense support

Support was unavailable for multiple federal expenditure samples.

Procurement records

Required quotes/competition or sole-source documentation was unavailable for selected items.

Quote → Approved PO → Receipt → Invoice → Payment → Reconciliation

What does “questioned cost” mean?

A reported cost is unsupported or may not meet grant requirements.

$3.24M

Known questioned costs listed

Sum of $2,878,075 from supporting-cost findings and $366,167 from procurement findings. Amounts may overlap and require resolution.

Not automatically proven theft, loss or repayment.

Finance describes improvements; evidence must confirm them

Management responses are plans or assertions, not independent audit verification.

REPORTED INITIATIVES

Monthly bank reconciliation
Dedicated accounts by award
Revised purchase approvals
Accounting system configuration
Updated policies

STILL REQUIRES EVIDENCE

Signed monthly reconciliations
Resolved negative cash and Due To/From
Documented transactions and controls
Tests of consistent operation
Completed audit follow-up

The question is not “Was a change announced?” but “Does it work?”

Monthly reporting should be a management requirement

The NABC should be able to review exceptions without waiting for the auditor.

01 Program-by-award spending compared with approved budgets and commitments.

02 Bank reconciliations completed and reviewed for every account.

03 Negative fund cash and outstanding Due To / From balances explained.

04 Grant receivables, advances, liabilities and federal reports reconciled.

Each exception should have an owner, an explanation and a due date.

NABC oversight questions for the next monthly report

Practical questions that help leaders see whether the controls are operating.

- ? Which bank and fund balances remain unreconciled, and for how long?
- ? Which Due To / From balances are aging without a settlement plan?
- ? Can every award report and SEFA amount be traced to the general ledger?
- ? Are purchase approvals, receipt records and invoice matches documented?

Ask for supporting schedules, not just assurances.

Manage it each month. Audit it afterward.

Reliable records are a shared responsibility, built through ordinary daily work.

PROGRAMS

Manage grant budgets, purchases and expenditure support.

FINANCE

Maintain accurate ledgers, cash reporting and reconciled Balance Sheets.

NABC

Review current results, exceptions and corrective-action evidence.

Financial visibility should never depend on reconstructing years of records.

Source documents and interpretation boundaries

This presentation is educational and separates reported figures from verified conclusions.

PRIMARY DOCUMENTS

2024 Independent Audit — Northern Arapaho Tribe, Governmental Department. Auditor report issued September 29, 2026.

2024 Audit Findings — Management Responses and Corrective Action Plan.

Federal reporting references: 2 CFR 200.510 (SEFA), Standard Form 425 and instructions.

Illustrative examples are labeled; auditor-disclaimed figures are not independently assured.