



Reports of Independent Auditors  
and Financial Statements with  
Federal Awards Supplementary Information

**Intertribal Agriculture Council**

December 31, 2022 and 2021

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## **Report of Independent Auditors**

The Board of Directors  
Intertribal Agriculture Council

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Intertribal Agriculture Council, which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, 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 Intertribal Agriculture Council as of December 31, 2022 and 2021, 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 (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 Intertribal Agriculture Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Intertribal Agriculture Council'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 Intertribal Agriculture Council'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 Intertribal Agriculture Council'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 accompanying supplementary information such as the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and are not a required part 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. The 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 30, 2024, on our consideration of Intertribal Agriculture Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Intertribal Agriculture Council'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 Intertribal Agriculture Council's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Moss Adams LLP".

San Francisco, California  
August 30, 2024

## **Financial Statements**

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**Intertribal Agriculture Council**  
**Statements of Financial Position**  
**December 31, 2022 and 2021**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 205,819
Restricted cash	1,482,677	797,231
Investments	252,223	298,583
Accounts receivable	14,000	49,266
Grants receivable	3,052,817	841,538
Prepaid expenses	64,004	65,303
Total current assets	4,865,721	2,257,740
Beneficial interest in investment pool	5,790,395	6,379,439
Property and equipment, net	27,410	43,789
Total assets	\$ 10,683,526	\$ 8,680,968
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 329,063	\$ 254,958
Accrued payroll liabilities	313,918	214,426
Deferred grant support	1,539,589	1,890,049
Total current liabilities	2,182,570	2,359,433
Long-term debt	-	353,125
Total liabilities	2,182,570	2,712,558
<b>NET ASSETS</b>		
Without donor restrictions	6,440,744	3,845,079
With donor restrictions	2,060,212	2,123,331
Total net assets	8,500,956	5,968,410
Total liabilities and net assets	\$ 10,683,526	\$ 8,680,968

See accompanying notes.

**Intertribal Agriculture Council**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended December 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>			
Grants and contributions			
Federal	\$ 3,635,762	\$ -	\$ 3,635,762
Foundations and other	4,752,837	20,000	4,772,837
Program service revenue	273,649	-	273,649
Investment losses, net	(183,828)	-	(183,828)
	8,478,420	20,000	8,498,420
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>83,119</b>	<b>(83,119)</b>	<b>-</b>
Total support and revenues	<b>8,561,539</b>	<b>(63,119)</b>	<b>8,498,420</b>
<b>EXPENSES</b>			
Program services			
Foreign agriculture	512,368	-	512,368
Natural resources	413,878	-	413,878
Regenerative economies	114,735	-	114,735
Youth	399,714	-	399,714
Technical assistance network	1,905,728	-	1,905,728
Policy	573,778	-	573,778
Support services			
Administrative	2,398,798	-	2,398,798
Total expenses	<b>6,318,999</b>	<b>-</b>	<b>6,318,999</b>
<b>OTHER INCOME</b>			
Gain on extinguishment of debt	353,125	-	353,125
<b>CHANGES IN NET ASSETS</b>	<b>2,595,665</b>	<b>(63,119)</b>	<b>2,532,546</b>
<b>NET ASSETS, beginning of year</b>	<b>3,845,079</b>	<b>2,123,331</b>	<b>5,968,410</b>
<b>NET ASSETS, end of year</b>	<b>\$ 6,440,744</b>	<b>\$ 2,060,212</b>	<b>\$ 8,500,956</b>

See accompanying notes.

**Intertribal Agriculture Council**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended December 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>			
Grants and contributions			
Federal	\$ 2,027,797	\$ -	\$ 2,027,797
Foundations and other	1,664,715	100,000	1,764,715
Program service revenue	278,549	-	278,549
Investment earnings, net	645,973	-	645,973
	<u>4,617,034</u>	<u>100,000</u>	<u>4,717,034</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>1,412,469</u>	<u>(1,412,469)</u>	<u>-</u>
Total support and revenues	<u>6,029,503</u>	<u>(1,312,469)</u>	<u>4,717,034</u>
<b>EXPENSES</b>			
Program services			
Foreign agriculture	276,493	-	276,493
Natural resources	331,138	-	331,138
Regenerative economies	26,807	-	26,807
Youth	91,171	-	91,171
Technical assistance network	2,074,903	-	2,074,903
Policy	220,959	-	220,959
Support services			
Administrative	983,026	-	983,026
Total expenses	<u>4,004,497</u>	<u>-</u>	<u>4,004,497</u>
<b>CHANGES IN NET ASSETS</b>	<u>2,025,006</u>	<u>(1,312,469)</u>	<u>712,537</u>
<b>NET ASSETS, beginning of year</b>	<u>1,820,073</u>	<u>3,435,800</u>	<u>5,255,873</u>
<b>NET ASSETS, end of year</b>	<u>\$ 3,845,079</u>	<u>\$ 2,123,331</u>	<u>\$ 5,968,410</u>

See accompanying notes.

**Intertribal Agriculture Council  
Statement of Functional Expenses  
Year Ended December 31, 2022**

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	Program Services						Supporting Services	Total
	Foreign Agriculture (AIF)	Natural Resources	Regenerative Economies	Youth	Technical Assistance Network	Policy	Administrative	
Salaries, benefits, and payroll taxes	\$ 214,666	\$ 336,393	\$ 94,401	\$ 112,083	\$ 1,100,448	\$ 259,808	\$ 1,531,965	\$ 3,649,764
Professional fees	1,555	-	-	-	-	-	30,370	31,925
Travel and training	103,842	64,108	13,335	55,259	284,967	77,406	358,145	957,062
Supplies and materials	24,466	4,402	5,533	16,688	11,852	3,030	61,808	127,779
Occupancy	525	-	-	-	28,639	1,194	497	30,855
Trade shows and conferences	116,226	2,262	-	203,900	317,398	12,788	130,422	782,996
Contracted services	41,054	5,000	395	11,535	101,066	200,528	157,477	517,055
Program expenses	9,823	1,713	1,071	176	59,587	19,024	104,933	196,327
Other business expenses	211	-	-	73	1,771	-	6,802	8,857
Depreciation	-	-	-	-	-	-	16,379	16,379
	<u>\$ 512,368</u>	<u>\$ 413,878</u>	<u>\$ 114,735</u>	<u>\$ 399,714</u>	<u>\$ 1,905,728</u>	<u>\$ 573,778</u>	<u>\$ 2,398,798</u>	<u>\$ 6,318,999</u>

See accompanying notes.

**Intertribal Agriculture Council  
Statement of Functional Expenses  
Year Ended December 31, 2021**

	Program Services						Supporting Services	Total
	Foreign Agriculture (AIF)	Natural Resources	Regenerative Economies	Youth	Technical Assistance Network	Policy	Administrative	
Salaries, benefits, and payroll taxes	\$ 177,187	\$ 163,234	\$ 13,685	\$ 50,728	\$ 1,699,097	\$ 144,380	\$ 228,912	\$ 2,477,223
Professional fees	7,515	-	-	-	7,265	-	5,621	20,401
Travel and training	9,700	17,710	-	16,943	93,208	831	285,830	424,222
Supplies and materials	10,058	4,820	-	-	57,628	-	100,961	173,467
Occupancy	375	-	-	-	30,703	-	481	31,559
Trade shows and conferences	34,401	69,582	2,012	19,394	71,035	1,592	188,154	386,170
Contracted services	25,170	32,962	-	4,106	58,127	-	71,761	192,126
Program expenses	3,362	2,845	-	-	34,119	11,656	32,236	84,218
Other business expenses	8,725	39,985	11,110	-	23,721	62,500	60,622	206,663
Depreciation	-	-	-	-	-	-	8,448	8,448
	<u>\$ 276,493</u>	<u>\$ 331,138</u>	<u>\$ 26,807</u>	<u>\$ 91,171</u>	<u>\$ 2,074,903</u>	<u>\$ 220,959</u>	<u>\$ 983,026</u>	<u>\$ 4,004,497</u>

See accompanying notes.

**Intertribal Agriculture Council**  
**Statements of Cash Flows**  
**Years Ended December 31, 2022 and 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 2,532,546	\$ 712,537
Adjustments to reconcile changes in net asset provided from operating activities		
Depreciation	16,379	8,448
Realized and unrealized losses (gains) on investments	183,828	(10,695)
Gain on extinguishment of debt	(353,125)	-
Change in operating assets and liabilities		
Accounts receivable	(2,211,279)	(91,113)
Grants receivable	35,266	(20,766)
Prepaid expenses	1,299	(41,894)
Accounts payable	74,105	139,238
Accrued payroll liabilities	99,492	(11,128)
Deferred grant support	(350,460)	1,610,860
Net cash provided by operating activities	28,051	2,295,487
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	-	(52,237)
Purchases of beneficial interest in investment pool	-	(2,601,576)
Redemptions/sales on investments	451,576	4,269
Net cash provided by (used in) investing activities	451,576	(2,649,544)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note payable	-	353,125
Net cash (used in) provided by financing activities	-	353,125
<b>CHANGES IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	479,627	(932)
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year</b>	1,003,050	1,003,982
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, end of year</b>	\$ 1,482,677	\$ 1,003,050

See accompanying notes.

# Intertribal Agriculture Council

## Notes to Financial Statements

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### Note 1 – Organization

Intertribal Agriculture Council (the Organization) is a nonprofit organization that was incorporated under the laws of the state of Montana in 1987, to pursue and promote the conservation, development, and use of agricultural resources for the betterment of Indian people.

### Note 2 – Summary of Significant Accounting Policies

**Basis of presentation** – The financial statements are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (GAAP).

**Use of estimates** – The preparation of financial statements in accordance with GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents and restricted cash** – All highly-liquid investments with an original maturity of three months or less are considered to be cash equivalents. Restricted cash is restricted for use towards grant programs.

The following table provides a reconciliation of cash and cash equivalents and restricted cash shown in the statements of cash flows as of December 31:

	<u>2022</u>	<u>2021</u>
Cash	\$ -	\$ 205,819
Restricted cash	<u>1,482,677</u>	<u>797,231</u>
 Total cash and restricted cash shown in cash flows statements	 <u>\$ 1,482,677</u>	 <u>\$ 1,003,050</u>

**Investments** – The Organization carries investments in marketable securities with readily determined fair values in the statements of financial position at fair value. Quoted market prices in active markets are used as the basis of measurement. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities and changes in net assets.

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

## Intertribal Agriculture Council

### Notes to Financial Statements

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Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Donated assets are recorded at fair value at the date of donation, or if sold immediately after receipts, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value. Investment income or loss and unrealized gains or losses are included in the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Organization believes their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value could result in a different fair value measurement at the reporting date.

**Accounts receivable** – Accounts receivable consist of unconditional pledges and event registration fees, which are all expected to be collected within one year. The Organization’s experience has indicated that all receivables are collectible. Accordingly, no allowance for uncollectible accounts is required as of the years ended December 31, 2022 and 2021.

**Grants receivable** – Grants receivable represent amounts due from grantors expected to be collected within one year. The Organization’s experience has indicated that all receivables are collectible. Accordingly, no allowance for uncollectible accounts is required as of the years ended December 31, 2022 and 2021.

**Prepaid expenses** – Prepaid items represent payments made by the Organization for which benefits extend beyond December 31, 2022 and 2021.

**Beneficial interest in investment pool** – The Organization established a charitable fund, the purpose of which is to further the charitable activities and support for the Organization. The Organization transferred funds to Indian Land Tenure Foundation (ILTF), a nonprofit corporation, to administer the charitable fund (ILTF Fund). The Organization’s share of the pool is recorded as beneficial interest in investment pool and is stated at fair value. The Organization receives annual distributions from the fund, and the board of directors may dictate where the distributions are allocated.

**Property and equipment, net** – Purchased furniture and equipment is recorded at cost. The Organization has a capitalization threshold of \$5,000. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statements of activities and change in net assets for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. The estimated useful lives for furniture, fixtures, machinery, and equipment is 3-15 years.

## Intertribal Agriculture Council

### Notes to Financial Statements

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**Impairment of long-lived assets** – Long-lived assets consist primarily of property and equipment. The assessment of recoverability of carrying value is based on an analysis of operating results and consideration of other significant events or changes in the business environment. If the Organization has indicators of impairment, management evaluates whether impairment exists on the basis of undiscounted expected future cash flows from operations, over the remaining useful life of the related assets. If impairment exists, the carrying amount of the long-lived assets would be reduced to its estimated fair value. At December 31, 2022 and 2021, management determined that long-lived assets were not impaired.

**Deferred grant support** – Deferred grant support represents funds received in advance from conditional grants, for which expenses have not been incurred at December 31, 2022 and 2021.

**Net Assets** – Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

*Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor restrictions. A portion of these net assets may be designated by the board of directors for specific purposes. There were no board-designated net assets at December 31, 2022 and 2021.

*Net assets with donor restrictions* – Net assets subject to donor-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 donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been full-filled, or both, and are reported in the statements of activities as net assets released from restrictions.

Net assets with donor restrictions includes a \$2,000,000 endowment from a settlement agreement, which is referred to as the IAC Endowment, to be held in perpetuity so long as the Organization continues to operate. The endowment fund assets are administered by ILTF in a charitable fund. Earnings from the endowment investment do not have restrictions.

The Organization has interpreted the Montana version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Amounts that have been appropriated for expenditure by the board of directors in a manner consistent with the standard of prudence prescribed by the Montana version of UPMIFA are classified as net assets without donor restrictions. In accordance with the Montana version of UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

1. Duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions

## Intertribal Agriculture Council

### Notes to Financial Statements

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**Revenue recognition** – The Organization receives significant grant revenues from federal, state, and private sources. Support received under grants and contracts with the federal government, state governments, and private organizations are recorded as grant revenue when earned. Revenue is recognized to the extent of related expenses incurred in compliance with the grant or award conditions. The unexpended funds for conditional grants are reported as deferred grant support on the statements of financial position.

Contributions and grants are recognized when cash or other assets are received or when unconditional promises to give or notification of a beneficial interest is received. Unconditional promises to give are recorded as receivables and revenue and require the Organization to distinguish between contributions received for each net asset category in accordance with donor imposed restrictions. Conditional promises to give are not recognized until the conditions on which they depend have been met or the donor has explicitly released the conditions. Contributions are classified as changes in net assets with donor restrictions until usage restriction are met, at which time a reclassification to net assets without donor restrictions is made. Exchange transactions are classified as changes to net assets without donor restrictions.

Contributions restricted by donors received in the same period when the associated stipulated time or purpose restriction is accomplished were reported as increases in net assets without donor restrictions.

**Program service revenue** – Program service revenue represents primarily conference registration fees, conference sponsorship, and service income. The Organization recognizes revenue from these transactions when the obligation has been met, which corresponds to conferences being held and with services being performed.

**Income taxes** – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization has adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740-10, *Accounting for Uncertain Tax Positions*. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings.

**Functional expenses** – The cost of providing various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and in the statements of functional expenses. Expenses have been recorded in program services and administrative categories based on specific identification. In the absence of specific identification, expenses have been allocated based on estimated staff time spent in each category.

**Accrued payroll liabilities** – Accrued payroll liabilities includes accrued payroll, payroll taxes, and vacation benefits. Employees' vacation benefits are recognized in the period earned and the liability is for benefits that are payable to the employees upon termination.

**Advertising** – Advertising costs are expensed as incurred. Advertising expense was \$31,235 and \$13,210 for 2022 and 2021, respectively.

## Intertribal Agriculture Council

### Notes to Financial Statements

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**Recent accounting pronouncements** – In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities Presentation and disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to increase transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The requirements in the ASU require presentation of the receipt of nonfinancial assets as a separate line item in the statements of activities. The ASU also requires additional disclosures regarding qualitative information about the monetization or utilization of the nonfinancial assets, any donor-imposed restrictions on the use of the nonfinancial assets, and a description of the valuation techniques and inputs used to determine the fair value on the date the nonfinancial assets were received. The Organization adopted ASU 2020-07 on January 1, 2022. There was no impact of adopting the provisions of ASU 2020-07 on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This ASU was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements. The standard establishes a right-of-use (ROU) model that requires a lessee to recognize an ROU asset and a lease liability on the statements of financial position for all leases with lease terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities. The Organization adopted ASU 2016-02 on January 1, 2022. There was no impact of adopting the provisions of Topic 842 and therefore adoption of this standard did not have a material impact on the financial statements.

#### **Note 3 – Concentration of Risk**

The Organization receives a substantial portion of its funding from grantors and/or contributors. A significant reduction of this support would likely mean a change of programs services offered by the Organization.

The Organization's cash accounts and investment balances are each held with one financial institution. At times the Organization's balances may exceed the following insurance limits, although, the Organization has not experienced any losses in such accounts. As of December 31, 2022 and 2021, cash deposits in were in excess of the federally insured limits of the Federal Depository Insurance Corporation.

#### **Note 4 – Fair Value Measurements/Investments**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active market for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

**Level 1** – Unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

## Intertribal Agriculture Council

### Notes to Financial Statements

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**Level 2** – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**Level 3** – Inputs are unobservable and significant to the fair value measurement.

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

The Organization's beneficial interest in investment pool represents its investment in a charitable fund administered by ILTF. The pool consists of various investments including, but not limited to stocks, bonds, mutual funds, partnership investments, private notes, certificates of deposit, and money market accounts. It is valued at the fair value of the Organization's interest in the fund based on the fund's daily net asset value (NAV), which is considered by ILTF management to be the best approximation of fair value. Underlying holdings are primarily valued using independent pricing sources.

The fair value is based on the net asset value of the pooled assets and the Organization's ownership interest in the pool. Net asset values are evaluated by the Organization under supervision of the Chief Financial Officer to determine if the values of these investments should be adjusted on a quarterly basis. Factors considered may include, but are not limited to, estimates of liquidation value, prices of recent transactions in the same or similar funds, current performance, future expectations of the particular investment, and changes in market outlook and the financing environment.

While the Organization believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available market for such investments existed, or had such investments been liquidated, and these differences could be material to the financial statements.

Investments are exposed to various risks such as interest rate, market, liquidity, and credit risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in value of investment securities will occur in the near term and such changes could materially affect the Organization's account balance and the amounts reported in the financial statements.

## Intertribal Agriculture Council Notes to Financial Statements

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The categories of assets measured at fair value on a recurring as of December 31, 2022 and 2021, are as follows:

	Fair Value as of December 31, 2022			
	Total	Quoted prices in Active Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in investment pool	\$ 5,790,395	\$ -	\$ -	\$ 5,790,395
Exchange Traded Funds	97,160	97,160	-	-
Mutual Funds	155,063	155,063	-	-
<b>Total fair value measurements</b>	<b>\$ 6,042,618</b>	<b>\$ 252,223</b>	<b>\$ -</b>	<b>\$ 5,790,395</b>

  

	Fair Value as of December 31, 2021			
	Total	Quoted prices in Active Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in investment pool	\$ 6,379,439	\$ -	\$ -	\$ 6,379,439
Exchange Traded Funds	130,687	130,687	-	-
Mutual Funds	167,896	167,896	-	-
<b>Total fair value measurements</b>	<b>\$ 6,678,022</b>	<b>\$ 298,583</b>	<b>\$ -</b>	<b>\$ 6,379,439</b>

The table below presents the roll forward of Level 3 investments carried at fair value (including the change in fair value) on the statements of financial position for the years ended December 31, 2022 and 2021:

	2022	2021
Balance, January 1	\$ 6,379,439	\$ 3,777,863
Additions	-	2,000,000
Sales	(448,484)	-
Investment (losses) gains	(97,764)	635,132
Administrative and investment fees	(45,640)	(33,556)
<b>Balance, December 31</b>	<b>\$ 5,787,551</b>	<b>\$ 6,379,439</b>

## Intertribal Agriculture Council Notes to Financial Statements

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The table below presents information about significant unobservable inputs related to the categories of Level 3 financial assets at December 31, 2022:

	Fair Value	Valuation Technique	Unobservable Inputs
		Fair Value of the Pooled Assets and the Organization's Ownership Interest	Fair Value of Underlying Assets of the Investment Pool
Beneficial interest in investment pool	\$ 5,790,395		

As of December 31, 2022 and 2021, the application of valuation techniques applied to similar assets has been consistent. The Organization assesses levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer. There were no transfers of assets between levels in 2022 and 2021.

### Note 5 – Net Assets

Grant programs and contributions reflected as with donor restrictions consist of grant and contribution dollars received, which have been restricted by the grantor/donor for specific purposes. Without donor restricted grant program and contribution revenues represent dollars received which were either not restricted by the grantor/donor, or for which restrictions were met in the year received.

Endowment funds reflected as net assets with donor restrictions represent donations received by the Organization, for which the gifts must be held in perpetuity.

Net assets with donor restrictions are as follows as of December 31:

	2022	2021
Net assets with donor restrictions		
Subject to expenditure for specified purpose		
Food4Families Farm Aid	\$ 9,937	\$ 23,331
Mazon	25,000	25,000
Newmans Own	25,275	75,000
	60,212	123,331
Endowments		
Subject to restriction in perpetuity		
IAC Endowment	2,000,000	2,000,000
	\$ 2,060,212	\$ 2,123,331
Total net assets with donor restrictions	<u>\$ 2,060,212</u>	<u>\$ 2,123,331</u>

Other than net assets subject to restriction in perpetuity, net assets with donor restriction are expected to be released from donor restriction in one year.

## Intertribal Agriculture Council

### Notes to Financial Statements

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Net assets released from restriction in fiscal years December 31 were as follows:

	2022	2021
Federal grant expenses	\$ -	\$ 65,695
Nonfederal grant expenses	83,119	90,774
Keepseagle agreement	-	1,156,000
Endowment setup costs	-	100,000
	\$ 83,119	\$ 1,412,469

#### **Note 6 – Endowment Funds**

In 2018, the Organization was awarded funds for the support of critical programmatic staff and personnel expenses to expand organizational capacity. A total of \$2,000,000 was awarded to establish an endowment with the purpose of supporting the Organization’s work for Native American farmers and ranchers. The Organization setup the IAC Endowment, for which funds are held in a charitable fund administered by the ILTF for the purpose of furthering the charitable activities and support for the Organization (see Note 4). The Organization shall hold the balance of the endowment fund in perpetuity. At no time may distributions cause the fund to have a total value less than \$2,000,000, except as provided for through dissolution of the Fund. The carrying value is determined by adjusting the original cost of the investment for gains or losses and deducting expenses and investment fees.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for its general operations while seeking to maintain the purchasing power of the underlying endowment assets. To satisfy this objective, the Organization’s interest in the investment pool consists of various investments including, but not limited to stocks, bonds, mutual funds, partnership investments, private notes, certificates of deposit, and money market accounts.

The Organization has a policy of seeking distributions as operational needs dictate. The Board of Directors may, from time to time, make a special disbursement of earnings in excess of the operational disbursements to the extent the Board of Directors deems it appropriate under the circumstances existing at the time. This policy is subject to periodic review and revision by the Board of Directors.

The endowment gains are not purpose restricted; the Organization’s board has the authority to determine how the gains can be best spent to support the Organization’s work with native farmers and ranchers. The Organization’s board has determined the endowment gains will be spent on the Organization’s administrative functions, including board expenses, membership meetings and main office operations.

The Organization’s board of directors may request that a distribution be made either directly to the Organization’s general account or to another party, so long as any such distribution meets the charitable standard, is communicated in writing, and co-signed by the Organization board chair and board secretary.

## Intertribal Agriculture Council Notes to Financial Statements

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A reconciliation of the endowment funds by asset class for the years ended December 31, 2021 and 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
IAC Endowment			
Balance, January 1, 2021	\$ 458,137	\$ 2,100,000	\$ 2,558,137
Investment income, net	270,937	-	270,937
Setup costs	-	(100,000)	(100,000)
Balance, December 31, 2021	729,074	2,000,000	2,729,074
Investment loss, net	(91,074)	-	(91,074)
Balance, December 31, 2022	\$ 638,000	\$ 2,000,000	\$ 2,638,000

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Montana version of UPMIFA requires the Organization to retain as a fund of duration. These deficiencies would generally result from unfavorable fluctuations in the underlying value of the funds held for these accounts. In accordance with GAAP, the deficiencies of this nature are reported in net assets without donor restrictions. As of December 31, 2022 and 2021, there are no deficiencies in the donor-restricted endowment fund.

### Note 7 – Property and Equipment, Net

As of December 31, 2022 and 2021, property and equipment, net consisted of the following:

	2022	2021
Equipment	\$ 52,237	\$ 52,237
Total property and equipment, gross	52,237	52,237
Less: accumulated depreciation	(24,827)	(8,448)
Total property and equipment, net	\$ 27,410	\$ 43,789

Depreciation expense was \$16,379 and \$8,448 for the years ended December 31, 2022 and 2021, respectively.

## Intertribal Agriculture Council

### Notes to Financial Statements

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#### Note 8 – Liquidity and Availability of Resources

The Organization is substantially supported by contributions without donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization's financial assets available to meet cash needs for general expenditures within one year of the financial position date are as follows:

Financial assets as of December 31,	2022	2021
Cash	\$ -	\$ 205,819
Investments	252,223	298,583
Accounts receivable	14,000	49,266
Grants receivable	3,052,817	841,538
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,319,040	\$ 1,395,206

#### Note 9 – Defined Contribution Plan

The Organization sponsors a defined contribution Section 403(b) benefit plan for its employees. All employees become eligible to participate in the plan after they attain 18 years of age and have completed six months of service. The Organization contributes 6% of each employee's salary to a self-directed annuity. Employees are fully vested upon being eligible to participate in the plan. The Organization's contributions to the plan for the years ended December 31, 2022 and 2021, were \$140,871 and \$75,455, respectively.

#### Note 10 – Commitments and Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

## **Intertribal Agriculture Council**

### **Notes to Financial Statements**

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#### **Note 11 – Long-Term Debt**

On April 30, 2021, the Organization was approved for a loan of \$353,125 under the Paycheck Protection Program (PPP), which is administered by the U.S. Small Business Administration under authority from the CARES Act. The loan accrues interest at an annual rate of 1%, with payments deferred for 10 months, and all outstanding principal and interest due April 30, 2026. The PPP provides for the forgiveness of amounts borrowed under the program provided that the borrower meets certain criteria, with the amount of loan forgiveness reduced by a factor determined by reductions in personnel during the 24-week period beginning on the loan date. The Organization did not experience a significant change in employee headcount during the 24-week coverage period chosen for its PPP loan forgiveness application. The PPP loan amount of \$353,125 has been recognized as long-term debt in the statements of financial position as of December 31, 2021. The Organization applied for full forgiveness of the loan in 2022, which was granted. The Organization recognized a gain on extinguishment of debt in 2022 on the statements of activities and changes in net assets.

#### **Note 12 – Risk Management**

The Organization faces a considerable number of risks of loss, including a) employee torts; b) professional liability (errors and omissions); c) workers compensation; d) medical insurance costs of employees; and e) damage to and loss of property and contents. A variety of methods are used to provide insurance for these risks. A commercial policy that transfers all risks of loss except for relatively small deductible amounts was purchased for property and content damage, employee torts, and professional liabilities. The Organization used the Montana State Funds Insurance for workers compensation claims.

#### **Note 13 – Subsequent Events**

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. The Organization recognizes, in the financial statements, the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statements of financial position, including the estimates inherent in the process of preparing the financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position, but arose after the statement of financial position and before financial statements are available to be issued.

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 30, 2024, the date the financial statements were available to be issued.

## **Supplementary Information**

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**Intertribal Agriculture Council  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2022**

Federal Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Award Number	Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Foreign Agricultural Service			
Direct Funding			
Market Access Program: 2022 Activities	10.601	MAP-2022-IAC	\$ 381,523
Natural Resources Conservation Service			
Direct Funding			
Tribal outreach through multiple projects	10.902	NR200150XXXXC007	27,656
Tribal Outreach and Training related to working with Tribes	10.902	NR18-9104-XXXX-C004	13,916
California Tribal Food Sovereignty	10.902	NR229104XXXXC011	5,000
Regenerating Community Capacity to Promote Conservation in Indian Country	10.902	NR203A750001C031	149,062
Internship experiences for Tribal students in Nevada seeking a career in Natural Resources	10.902	NR219327XXXXC002	9,095
California Internship	10.902	NR209104XXXXC015	11,868
Natural Resources Conservation Service (NRCS) Equity Cooperative Agreement Culturally Relevant Outreach / A	10.902	NR223A7500003C080	17,649
Natural Resources Conservation Service (NRCS) National Internship C008	10.902	NRCS NAT'L INTERNSHIP NR193A750027C008	87,240
Natural Resources Career Development Program in Indian Country	10.902	NR223A750015C013	6,512
Building Sustainable and Collaborative Conservation on Indian Lands	10.902	NR206633XXXXG003	141,932
Natural Resources Conservation Service Total			469,930
Office of Tribal Relations			
Direct Funding			
Intertribal Technical Assistance Network 2022	10.U01	FY 2022-01 OTR	937,055
Intertribal Technical Assistance Network 2023	10.U01	FY 2023-01 OTR	375,551
Intertribal Agriculture Council American Indian Foods Program Producer Procurement FY 22	10.U02	FY 2021-04 OTR (OTR Producer Procurement 21-22)	9,157
Intertribal Agriculture Council American Indian Foods Program Domestic Market FFY 2022	10.U02	FY 2022-Domestic Marketing OTR	50,570
Intertribal Agriculture Council American Indian Foods Program Domestic Market FFY 2023	10.U02	AIF IAC-OTR-22-07	17,930
Office of Tribal Relations (OTR) Native Youth (NYTA 22-23)	10.U03	ITAN-2022-NYTA	158,362
Office of Tribal Relations Total			1,548,625
Agriculture Marketing Service			
Direct Funding			
Agricultural Marketing Service (AMS) Meat and Poultry Processing Capacity - Technical Assistance	10.184	22-MPPTA-MT-0001	343,693
National Agriculture Statistics Service			
Direct Funding			
Census of Agriculture Increasing Census Coverage for Underserved Producers	10.950	58-3AEU-9-0007	3,977
National Institute of Food and Agriculture			
Direct Funding			
COVID- 19 American Rescue Plan Technical Assistance Investment Program	10.234	2022-70416-37109	774,117
Food and Drug Administration			
Direct Funding			
Tribal Food Safety Alliance - Native American Tribes Outreach, Education, and Training to Enhance Food Safety	93.103	UA2021-230	36,400
<b>TOTAL FOR U.S. DEPARTMENT OF AGRICULTURE</b>			<b>3,558,265</b>
<b>NATIONAL SCIENCE FOUNDATION</b>			
Direct Funding			
Build & Broaden	47.075	BCS-2037303	77,498
<b>TOTAL FOR NATIONAL SCIENCE FOUNDATION</b>			<b>77,498</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 3,635,763</b>

See accompanying notes to schedule of expenditures of federal awards.

**Intertribal Agriculture Council**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2022**

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**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Intertribal Agriculture Council, under programs of the federal government for the year ended December 31, 2022. 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 Intertribal Agriculture Council, it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of Intertribal Agriculture Council.

**Note 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.

**Note 3 – Indirect Cost Rate**

The Organization uses the indirect cost rate as determined by the granting agencies and has not elected to use the 10% de minimis reimbursement rate.

**Note 4 – Subrecipients**

The Organization did not provide federal awards to any subrecipients during the year ended December 31, 2022.

## **Report of Independent Auditors 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***

The Board of Directors  
Intertribal Agriculture Council

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 Intertribal Agriculture Council, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, 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 30, 2024.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Intertribal Agriculture Council'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 Intertribal Agriculture Council's internal control. Accordingly, we do not express an opinion on the effectiveness of Intertribal Agriculture Council's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Intertribal Agriculture Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

## **Intertribal Agriculture Council's Response to Findings**

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

## **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Moss Adams LLP".

San Francisco, California  
August 30, 2024

# **Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

The Board of Directors  
Intertribal Agriculture Council

## **Report on Compliance for Each Major Federal Program**

### ***Opinion on Each Major Federal Program***

We have audited Intertribal Agriculture Council's 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 Intertribal Agriculture Council's major federal programs for the year ended December 31, 2022. Intertribal Agriculture Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Intertribal Agriculture Council 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 federal programs for the year ended December 31, 2022.

### ***Basis for Opinion on Each Major Federal 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 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 Intertribal Agriculture Council 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 federal program. Our audit does not provide a legal determination of Intertribal Agriculture Council'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 Intertribal Agriculture Council'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 Intertribal Agriculture Council'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 Intertribal Agriculture Council'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 Intertribal Agriculture Council'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 Intertribal Agriculture Council'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 Intertribal Agriculture Council'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.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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.

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

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.

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.

A handwritten signature in cursive script that reads "Moss Adams LLP".

San Francisco California  
August 30, 2024

**Intertribal Agriculture Council  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2022**

**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  No
- Significant deficiency(ies) identified?  Yes  None

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes  No

**Identification of major federal programs and type of auditor’s report issued on compliance for each major federal program:**

<i>Federal Assistance Listing Number</i>	<i>Name of Major Federal Program</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Program</i>
10.U01	Intertribal Technical Assistance Network	<i>Unmodified</i>
10.234	COVID-19 American Rescue Plan Technical Assistance Investment Program	<i>Unmodified</i>

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes  No

**Intertribal Agriculture Council  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2022**

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**Section II – Financial Statement Findings**

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**Reference Number**

**Finding**

**2022-001**

***Financial Close Process (Significant Deficiency)***

*Criteria:* Management is responsible for implementing internal controls over financial reporting. A strong financial close process should include a consistent month-end close account reconciliation process, segregated preparer and reviewer with appropriate expertise to perform the review, and documentation of the process completion. Significant accounts such as grant support should be given special attention.

*Condition:* During the audit and assessment of internal control, we identified that the Organization did not have a well-established financial close process in place that was properly designed to prevent and detect errors in a timely fashion. As a result, we identified several expense transactions that were not recorded in the year incurred.

*Cause:* The Organization did not have adequate financial close internal controls in place to prevent and detect errors.

*Effect:* Other accounting errors were identified and corrected that were not material to the financial statements. Other uncorrected accounting errors could be present and not identified. Total expense was understated by approximately \$81,000. All significant errors were corrected in the financial statements.

*Recommendation:* We recommend that the Organization evaluate and strengthen its month-end financial close and reporting internal control processes.

*Views of Responsible Officials:* Management agrees with the finding and procedures have been implemented to address the related issues.

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**Section III – Findings and Questioned Costs of Federal Awards**

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None reported.



## Summary Schedule of Prior Audit Findings

Intertribal Agriculture Council respectfully submits the following summary schedule of prior audit findings for the year ended December 31, 2022. The findings from the December 31, 2021 schedule of findings and questioned costs are discussed below.

### **Prior Audit Finding 2021-001: Expense Recognition (Material Weakness)**

Summary of prior audit finding: Total expense was understated by approximately \$220,000. All errors were corrected in the financial statements. The auditor recommended that the Organization evaluate and strengthen its financial close and reporting internal control process for identifying and recording expense transactions in the proper period.

Status: The Organization has implemented procedures to ensure that expenses are recorded in the proper period. Remediation of the control deficiency is ongoing and planned completion is December 31, 2024.

### **2021-002: Revenue Recognition (Material Weakness)**

Summary of prior audit finding: Total grant support was understated by approximately \$393,000. All errors were corrected in the financial statements. The auditor recommended that the Organization evaluate and strengthen its financial close and reporting internal control process for identifying and recording expense transactions in the proper period.

Status: The Organization has implemented procedures to ensure that unconditional grant support transactions are not improperly deferred and that conditional grants support transactions are recognized rather than deferred. Remediation of the control deficiency is ongoing and planned completion is December 31, 2024.

### **2021-003: Financial Close Process (Significant Deficiency)**

Summary of prior audit finding: The effects from other findings were a result of failed internal control processes. Other accounting errors were identified and corrected that were not material to the financial statements. Other uncorrected accounting errors could be present and not identified. The auditor recommended that the Organization evaluate and strengthen its financial close and reporting internal control process for identifying and recording expense transactions in the proper period.

Status: The Organization has implemented procedures to ensure that a consistent month-end close account reconciliation process with segregated preparer and reviewers with appropriate expertise to perform the review and documentation of the process completion is followed. Remediation of the control deficiency is ongoing and planned completion is December 31, 2024.



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RE: Corrective Action Plan for Calendar Year 2022 Financial Audit Findings

Intertribal Agriculture Council (IAC) respectfully submits the following corrective action plan for the year ended December 31, 2022. The findings from the December 31, 2022 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

2022-001: Financial Close Process (Significant Deficiency)

Effect: Other accounting errors were identified and corrected that were not material to the financial statements. Other uncorrected accounting errors could be present and not identified. Total expense was understated by approximately \$81,000. All significant errors were corrected in the financial statements.

Recommendation: The auditor recommends that the Organization evaluate and strengthen its financial close and reporting internal control process for identifying and recording expense transactions in the proper period.

1. Explanation of Disagreement with Audit Findings: There is no disagreement with the audit findings.
2. Action Planned in Response to Finding: The Organization has implemented procedures to ensure that a consistent month-end close account reconciliation process with segregated preparer and reviewers with appropriate expertise to perform the review and documentation of the process completion is followed.
3. Official Responsible for Ensuring CAP: Kari Jo Lawrence, Chief Executive Officer and Jernon Kelly, Chief Financial Officer are responsible for ensuring corrective action of this deficiency.
4. Planned Completion Date for CAP: December 31, 2024.

