



Nez Perce Tribe

*Basic Financial Statements,
Independent Auditor's Report, and
Single Audit Reporting Package*
September 30, 2024

redw
Advisors & CPAs

Nez Perce Tribe

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Nez Perce Tribe

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Independent Auditor's Report

To the Honorable Members of the Tribal Executive Committee
of the Nez Perce Tribe:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Nez Perce Tribe (the "Tribe"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Tribe's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tribe, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Nez Perce Tribe Gaming Enterprises and Nez Perce Tribal Non-Gaming Enterprises, which represent 73%, 74%, and 98%, respectively, of the assets, net position, and revenues of the business-type activities, as of September 30, 2024, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Nez Perce Tribe Gaming Enterprises and Nez Perce Tribal Non-Gaming Enterprises, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tribe's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Required Supplementary Information

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tribe’s basic financial statements. 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 is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic 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 June 12, 2025, on our consideration of the Tribe’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tribe’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tribe’s internal control over financial reporting and compliance.

REDW_{LLC}
Phoenix, Arizona
June 12, 2025

Basic Financial Statements

Nez Perce Tribe
Statement of Net Position
September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 57,573,802	\$ 31,837,864	\$ 89,411,666
Restricted cash	3,023,503	2,241,642	5,265,145
Investments	49,886,148	-	49,886,148
Restricted investments	138,210,965	-	138,210,965
Accounts receivable, net	1,949,995	1,849,416	3,799,411
Lease receivable	-	1,321,411	1,321,411
Settlement receivable	9,322,584	-	9,322,584
Grants receivable	10,189,261	-	10,189,261
Internal balances	5,760,721	(5,760,721)	-
Inventories	207,621	962,710	1,170,331
Prepaid items and other assets	345,904	282,532	628,436
Total current assets	<u>276,470,504</u>	<u>32,734,854</u>	<u>309,205,358</u>
Noncurrent assets			
Capital and right-to-use assets, net of depreciation/amortization	33,467,669	22,660,990	56,128,659
Capital assets not being depreciated/amortized	74,859,237	21,056,233	95,915,470
Total noncurrent assets	<u>108,326,906</u>	<u>43,717,223</u>	<u>152,044,129</u>
Total assets	<u>384,797,410</u>	<u>76,452,077</u>	<u>461,249,487</u>
Liabilities			
Current liabilities			
Accounts payable	4,883,905	1,311,114	6,195,019
Accrued liabilities	2,523,727	1,863,704	4,387,431
Compact fee liabilities	-	509,523	509,523
Unearned revenues	35,765,640	-	35,765,640
Current portion of lease liabilities	90,567	-	90,567
Current portion of subscription liabilities	438,654	-	438,654
Current portion of long-term liabilities	5,991,441	814,618	6,806,059
Total current liabilities	<u>49,693,934</u>	<u>4,498,959</u>	<u>54,192,893</u>
Long-term liabilities			
Compensated absences	2,255,847	-	2,255,847
Lease liabilities, net of current portion	330,743	-	330,743
Long-term debt, net of current portion	1,529,164	3,858,575	5,387,739
Total long-term liabilities	<u>4,115,754</u>	<u>3,858,575</u>	<u>7,974,329</u>
Total liabilities	<u>53,809,688</u>	<u>8,357,534</u>	<u>62,167,222</u>
Deferred Inflows of Resources			
Deferred inflows of resources	-	1,298,519	1,298,519
Net Position			
Net investment in capital assets	107,466,942	40,873,887	148,340,829
Restricted	168,637,798	2,241,642	170,879,440
Unrestricted	54,882,982	23,680,495	78,563,477
Total net position	<u>\$ 330,987,722</u>	<u>\$ 66,796,024</u>	<u>\$ 397,783,746</u>

The accompanying notes are an integral part of these financial statements.

Nez Perce Tribe
Statement of Activities
For the Year Ended September 30, 2024

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions		Primary Government		Total
			Capital Grants and Contributions	Governmental Activities	Business-Type Activities		
Functions/Programs							
Primary Government							
Governmental activities							
General government	\$ 35,229,604	\$ 4,069,400	\$ 1,058,213	\$ 3,824,141	\$ (26,277,850)	\$ -	\$ (26,277,850)
Health and human services	30,901,641	11,389,676	27,717,801	3,311,242	11,517,078	-	11,517,078
Public safety	3,572,826	-	3,464,725	413,905	305,804	-	305,804
Natural resources	37,527,878	-	33,608,731	295,219	(3,623,928)	-	(3,623,928)
Education	4,423,072	-	3,453,476	425,154	(544,442)	-	(544,442)
Total governmental activities	<u>111,655,021</u>	<u>15,459,076</u>	<u>69,302,946</u>	<u>8,269,661</u>	<u>(18,623,338)</u>	<u>-</u>	<u>(18,623,338)</u>
Business-type activities							
Nez Perce Tribe Gaming Enterprises	27,370,599	37,094,710	-	-	-	9,724,111	9,724,111
Nez Perce Tribal Non-Gaming Enterprises	24,808,759	24,867,021	-	-	-	58,262	58,262
Nez Perce Tribe Land Enterprises	594,154	1,431,933	-	-	-	837,779	837,779
Nonmajor funds	167,662	143,404	-	-	-	(24,258)	(24,258)
Total business-type activities	<u>52,941,174</u>	<u>63,537,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,595,894</u>	<u>10,595,894</u>
Total primary government	<u>\$ 164,596,195</u>	<u>\$ 78,996,144</u>	<u>\$ 69,302,946</u>	<u>\$ 8,269,661</u>	<u>(18,623,338)</u>	<u>10,595,894</u>	<u>(8,027,444)</u>
General Revenues, Expenses, and Transfers							
Fuel, sales, and lodging taxes					3,320,636	-	3,320,636
Fees and fines					753,502	-	753,502
Investment and interest income					35,621,218	-	35,621,218
Interest income					-	347,529	347,529
Interest expense					(917,421)	(178,500)	(1,095,921)
Other revenues					3,635,640	-	3,635,640
Transfers in (out)					11,641,268	(11,641,268)	-
Loss on disposal of capital assets					(25,191)	-	(25,191)
Total general revenues, expenses, and transfers					<u>54,029,652</u>	<u>(11,472,239)</u>	<u>42,557,413</u>
Changes in net position					35,406,314	(876,345)	34,529,969
Net position, beginning of year					<u>295,581,408</u>	<u>67,672,369</u>	<u>363,253,777</u>
Net position, end of year					<u>\$ 330,987,722</u>	<u>\$ 66,796,024</u>	<u>\$ 397,783,746</u>

The accompanying notes are an integral part of these financial statements.

Governmental Funds

Nez Perce Tribe
Balance Sheet – Governmental Funds
September 30, 2024

	General Fund	Nimiipuu Health	Grants and Contracts Fund	Nonmajor Funds	Total Governmental Fund
Assets					
Cash and cash equivalents	\$ 5,403,356	\$ 26,846,077	\$ 23,533,430	\$ 1,405,716	\$ 57,188,579
Restricted cash	3,023,503	-	-	-	3,023,503
Investments	43,682,720	-	-	6,203,428	49,886,148
Restricted investments	138,210,965	-	-	-	138,210,965
Accounts receivable, net	159,473	1,749,751	40,134	637	1,949,995
Grants receivable	-	538,746	9,650,515	-	10,189,261
Due from other funds	-	150,025	5,308,978	39,286	5,498,289
Inventories	-	207,621	-	-	207,621
Prepaid items and other assets	872	345,032	-	-	345,904
Total assets	<u>\$ 190,480,889</u>	<u>\$ 29,837,252</u>	<u>\$ 38,533,057</u>	<u>\$ 7,649,067</u>	<u>\$ 266,500,265</u>
Liabilities					
Accounts payable	\$ 891,522	\$ 1,648,417	\$ 2,280,713	\$ -	\$ 4,820,652
Accrued liabilities	1,644,761	644,378	201,163	33,425	2,523,727
Unearned revenue	306,189	8,435	35,451,016	-	35,765,640
Due to other funds	3,496,489	-	-	-	3,496,489
Total liabilities	<u>6,338,961</u>	<u>2,301,230</u>	<u>37,932,892</u>	<u>33,425</u>	<u>46,606,508</u>
Fund Balances					
Nonspendable	872	552,653	-	-	553,525
Restricted	141,234,468	26,803,165	600,165	-	168,637,798
Committed	12,445,237	180,204	-	7,615,642	20,241,083
Unassigned	30,461,351	-	-	-	30,461,351
Total fund balances	<u>184,141,928</u>	<u>27,536,022</u>	<u>600,165</u>	<u>7,615,642</u>	<u>219,893,757</u>
Total liabilities and fund balances	<u>\$ 190,480,889</u>	<u>\$ 29,837,252</u>	<u>\$ 38,533,057</u>	<u>\$ 7,649,067</u>	<u>\$ 266,500,265</u>

The accompanying notes are an integral part of these financial statements.

Nez Perce Tribe
Reconciliation of the Balance Sheet – Governmental
Funds to the Statement of Activities
September 30, 2024

Fund balances — governmental funds		\$ 219,893,757
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Capital assets	\$ 158,825,667	
Accumulated depreciation	<u>(50,498,761)</u>	
		108,326,906
The settlement receivable will be collected in subsequent years but is not available to pay for the current period expenditures and, therefore, is not reported in the fund financial statements (see note 8).		
		9,322,584
The internal service fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
		4,080,891
Certain liabilities reported in the statement of net position are long-term in nature and not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences	(2,255,847)	
Subscription liabilities	(438,654)	
Lease liabilities	(421,310)	
Notes and lines of credit payable	<u>(7,520,605)</u>	
		<u>(10,636,416)</u>
Net position of governmental activities		<u>\$ 330,987,722</u>

The accompanying notes are an integral part of these financial statements.

Nez Perce Tribe
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds
For the Year Ended September 30, 2024

	General Fund	Nimiiipuu Health	Grants and Contracts Fund	Nonmajor Governmental Funds	Total
Revenues					
Intergovernmental revenues	\$ -	\$ 12,787,223	\$ 64,785,384	\$ -	\$ 77,572,607
Fuel, sales, and lodging taxes	3,320,636	-	-	-	3,320,636
Fees and fines	753,502	-	-	-	753,502
Indirect cost recoveries	9,792,857	-	-	-	9,792,857
Charges for services	4,069,400	11,389,676	-	-	15,459,076
Rent income	596,176	-	-	-	596,176
Investment and interest income	33,829,312	524,903	123,012	1,143,991	35,621,218
Other	2,637,546	138,983	523,447	-	3,299,976
Total revenues	<u>54,999,429</u>	<u>24,840,785</u>	<u>65,431,843</u>	<u>1,143,991</u>	<u>146,416,048</u>
Expenditures					
Current					
General government	28,901,501	-	3,972,803	2,205,828	35,080,132
Health and human services	61,507	24,064,186	5,895,155	-	30,020,848
Public safety	-	-	3,470,334	-	3,470,334
Natural resources	2,852,586	-	33,608,731	-	36,461,317
Education	493,522	-	3,804,637	-	4,298,159
Indirect cost allocation	2,448,494	-	7,344,363	-	9,792,857
Capital outlay	2,971,908	3,312,228	4,965,878	-	11,250,014
Debt service					
Principal	7,350,763	328,797	-	-	7,679,560
Interest	873,413	44,008	-	-	917,421
Total expenditures	<u>45,953,694</u>	<u>27,749,219</u>	<u>63,061,901</u>	<u>2,205,828</u>	<u>138,970,642</u>
Revenues over (under) expenditures	<u>9,045,735</u>	<u>(2,908,434)</u>	<u>2,369,942</u>	<u>(1,061,837)</u>	<u>7,445,406</u>
Other Financing Sources (uses)					
Lease and SBITA financing	-	358,996	-	-	358,996
Transfers from (to) other funds, net	12,118,930	250,000	(2,245,144)	1,517,482	11,641,268
Total other financing sources (uses)	<u>12,118,930</u>	<u>608,996</u>	<u>(2,245,144)</u>	<u>1,517,482</u>	<u>12,000,264</u>
Net change in fund balances	21,164,665	(2,299,438)	124,798	455,645	19,445,670
Fund balances, beginning of year, as restated (note 18)	<u>162,977,263</u>	<u>29,835,460</u>	<u>475,367</u>	<u>7,159,997</u>	<u>200,448,087</u>
Fund balances, end of year	<u>\$ 184,141,928</u>	<u>\$ 27,536,022</u>	<u>\$ 600,165</u>	<u>\$ 7,615,642</u>	<u>\$ 219,893,757</u>

The accompanying notes are an integral part of these financial statements.

Nez Perce Tribe
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances – Governmental
Funds to the Statement of Activities
For the Year Ended September 30, 2024

Net change in fund balances — governmental funds \$ 19,445,670

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures.

In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Depreciation and amortization expense	\$ (3,920,916)	
Capital outlay	11,250,014	
Loss on disposal of capital assets	<u>(25,191)</u>	
		7,303,907

Recognition of settlement receivable - the full amounts were recorded as revenues in the statement of activities upon settlement. However, the amounts are recorded as revenues annually in the governmental funds as the revenues become available. (260,512)

The internal service fund is used by management to charge the costs of central services and insurance to individual funds. The net activity of the internal service fund is reported with governmental activities. 719,341

Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds.

Changes in compensated absences	877,344	
Recognition lease and SBITA agreements	<u>(358,996)</u>	518,348

Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. 7,679,560

Change in net position of governmental activities **\$ 35,406,314**

The accompanying notes are an integral part of these financial statements.

Proprietary Funds

Nez Perce Tribe
Statement of Net Position – Proprietary Fund
September 30, 2024

	Business-Type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Fund
	Nez Perce Tribe Gaming Enterprises	Nez Perce Tribal Non-Gaming Enterprises	Nez Perce Tribe Land Enterprise	Nonmajor Funds		
Assets						
Current assets						
Cash and cash equivalents	\$ 22,584,613	\$ 5,487,739	\$ 3,557,299	\$ 208,213	\$ 31,837,864	\$ 385,223
Restricted cash	2,241,642	-	-	-	2,241,642	-
Accounts receivable	303,483	390,673	919,320	235,940	1,849,416	-
Lease receivable	-	-	1,321,411	-	1,321,411	-
Due from other funds	8,308,397	-	-	-	8,308,397	3,758,921
Inventories	206,656	756,054	-	-	962,710	-
Prepaid items	270,746	11,786	-	-	282,532	-
Total current assets	<u>33,915,537</u>	<u>6,646,252</u>	<u>5,798,030</u>	<u>444,153</u>	<u>46,803,972</u>	<u>4,144,144</u>
Noncurrent assets						
Depreciable capital assets, net	18,036,523	4,624,467	-	-	22,660,990	-
Nondepreciable capital assets	1,363,932	1,285,411	18,406,890	-	21,056,233	-
Total noncurrent assets	<u>19,400,455</u>	<u>5,909,878</u>	<u>18,406,890</u>	<u>-</u>	<u>43,717,223</u>	<u>-</u>
Total assets	<u>53,315,992</u>	<u>12,556,130</u>	<u>24,204,920</u>	<u>444,153</u>	<u>90,521,195</u>	<u>4,144,144</u>
Liabilities						
Current liabilities						
Accounts payable	835,280	460,838	6,817	8,179	1,311,114	-
Accrued liabilities	1,644,079	219,625	-	-	1,863,704	63,253
Compact fee liabilities	509,523	-	-	-	509,523	-
Due to other funds	-	8,526,985	4,907,595	634,538	14,069,118	-
Current portion of unearned rebate revenue	-	120,576	-	-	120,576	-
Current portion of long-term debt	694,042	-	-	-	694,042	-
Total current liabilities	<u>3,682,924</u>	<u>9,328,024</u>	<u>4,914,412</u>	<u>642,717</u>	<u>18,568,077</u>	<u>63,253</u>
Noncurrent liabilities						
Unearned advance rebate incentives, net of current portion	-	422,015	-	-	422,015	-
Brand incentive loans	-	1,555,000	-	-	1,555,000	-
Long-term debt, net of current portion	1,881,560	-	-	-	1,881,560	-
Total noncurrent liabilities	<u>1,881,560</u>	<u>1,977,015</u>	<u>-</u>	<u>-</u>	<u>3,858,575</u>	<u>-</u>
Total liabilities	<u>5,564,484</u>	<u>11,305,039</u>	<u>4,914,412</u>	<u>642,717</u>	<u>22,426,652</u>	<u>63,253</u>
Deferred Inflow of Resources						
Deferred inflows - leases	-	-	1,298,519	-	1,298,519	-
Net Position						
Net investment in capital assets	16,557,119	5,909,878	18,406,890	-	40,873,887	-
Restricted for debt service	2,241,642	-	-	-	2,241,642	-
Unrestricted (deficit)	28,952,747	(4,658,787)	(414,901)	(198,564)	23,680,495	4,080,891
Total net position (deficit)	<u>\$ 47,751,508</u>	<u>\$ 1,251,091</u>	<u>\$ 17,991,989</u>	<u>\$ (198,564)</u>	<u>\$ 66,796,024</u>	<u>\$ 4,080,891</u>

The accompanying notes are an integral part of these financial statements.

Nez Perce Tribe
Statement of Revenues, Expenses, and Changes in Net Position –
Proprietary Fund
For the Year Ended September 30, 2024

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Fund
	Nez Perce Tribe Gaming Enterprises	Nez Perce Tribal Non-Gaming Enterprises	Nez Perce Tribe Land Enterprise	Nonmajor Funds	Total	
Operating Revenues						
Gaming	\$ 32,236,125	\$ -	\$ -	\$ -	\$ 32,236,125	\$ -
Food and beverage	1,697,373	2,188,243	-	-	3,885,616	-
Hotel	991,341	-	-	-	991,341	-
Land fees	-	-	1,017,591	-	1,017,591	-
Lease revenue	-	-	414,342	-	414,342	-
Fuel and propane	-	17,806,410	-	-	17,806,410	-
Tobacco	-	3,532,119	-	-	3,532,119	-
Gift and pro shop	1,368,523	392,744	-	-	1,761,267	-
Insurance claims recoveries	-	-	-	-	-	789,845
Other	1,279,981	947,505	-	143,404	2,370,890	-
Gross revenues	37,573,343	24,867,021	1,431,933	143,404	64,015,701	789,845
Less promotional allowances	(478,633)	-	-	-	(478,633)	-
Total operating revenues	<u>37,094,710</u>	<u>24,867,021</u>	<u>1,431,933</u>	<u>143,404</u>	<u>63,537,068</u>	<u>789,845</u>
Operating Expenses						
Operating departments	13,032,154	22,409,013	-	-	35,441,167	-
Compact fees	509,522	-	-	-	509,522	-
Selling, general, and administrative	10,951,476	1,841,471	594,154	19,063.00	13,406,164	-
Health claims and other expenses	-	-	-	148,599	148,599	71,814
Depreciation	2,877,447	558,275	-	-	3,435,722	-
Total operating expenses	<u>27,370,599</u>	<u>24,808,759</u>	<u>594,154</u>	<u>167,662</u>	<u>52,941,174</u>	<u>71,814</u>
Operating income (loss)	<u>9,724,111</u>	<u>58,262</u>	<u>837,779</u>	<u>(24,258)</u>	<u>10,595,894</u>	<u>718,031</u>
Nonoperating Revenues (Expenses)						
Interest income	82,137	1,059	264,333	-	347,529	1,310
Interest expense	(128,315)	(215)	(49,970)	-	(178,500)	-
Loss on disposal on capital assets	-	-	-	-	-	-
Total nonoperating income (expense)	<u>(46,178)</u>	<u>844</u>	<u>214,363</u>	<u>-</u>	<u>169,029</u>	<u>1,310</u>
Income (loss) before transfers	<u>9,677,933</u>	<u>59,106</u>	<u>1,052,142</u>	<u>(24,258)</u>	<u>10,764,923</u>	<u>719,341</u>
Transfers						
Transfers in	-	-	-	50,334	50,334	-
Transfers out	(10,059,682)	(516,000)	(1,115,920)	-	(11,691,602)	-
Transfers	<u>(10,059,682)</u>	<u>(516,000)</u>	<u>(1,115,920)</u>	<u>50,334</u>	<u>(11,641,268)</u>	<u>-</u>
Changes in net position	(381,749)	(456,894)	(63,778)	26,076	(876,345)	719,341
Net position, beginning of year	48,133,257	1,707,985	18,055,767	(224,640)	67,672,369	3,361,550
Net position, end of year	<u>\$ 47,751,508</u>	<u>\$ 1,251,091</u>	<u>\$ 17,991,989</u>	<u>\$ (198,564)</u>	<u>\$ 66,796,024</u>	<u>\$ 4,080,891</u>

The accompanying notes are an integral part of these financial statements.

Nez Perce Tribe
Statement of Cash Flows –
Proprietary Fund
For the Year Ended September 30, 2024

	Business-Type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Fund
	Nez Perce Tribe Gaming Enterprises	Nez Perce Tribal Non-Gaming Enterprises	Nez Perce Tribe Land Enterprise	Nonmajor Funds		
Cash flows from operating activities						
Cash received from customers	\$ 37,290,736	\$ 24,743,603	\$ 1,291,355	\$ 162,732	\$ 63,488,426	\$ 789,845
Cash paid to or on behalf of employees	(11,430,072)	(2,157,622)	(378,770)	(109,086)	(14,075,550)	(258,351)
Cash paid to suppliers of goods and services	(12,865,443)	(22,425,715)	(158,290)	(26,029)	(35,475,477)	(71,814)
Cash received from (paid to) other funds	-	-	371,772	(67,767)	304,005	(465,063)
Cash received for advance rebate incentives	-	602,880	-	-	602,880	-
Net cash provided (used) by operating activities	<u>12,995,221</u>	<u>763,146</u>	<u>1,126,067</u>	<u>(40,150)</u>	<u>14,844,284</u>	<u>(5,383)</u>
Cash flows from noncapital financing activities						
Transfers and payments from (to) other funds, net	(11,176,826)	601,144	(1,115,920)	50,334	(11,641,268)	-
Cash received for brand incentive loans	-	1,555,000	-	-	1,555,000	-
Net cash provided (used) by noncapital financing activities	<u>(11,176,826)</u>	<u>2,156,144</u>	<u>(1,115,920)</u>	<u>50,334</u>	<u>(10,086,268)</u>	<u>-</u>
Cash flows from capital and related financing activities						
Purchase of capital assets	(1,239,879)	(198,469)	(311,334)	-	(1,749,682)	-
Principal payments on long-term debts	(561,744)	(28,066)	-	-	(589,810)	-
Interest received	-	-	264,333	-	264,333	-
Interest payments	(128,315)	(215)	(49,970)	-	(178,500)	-
Net cash used by capital and related financing activities	<u>(1,929,938)</u>	<u>(226,750)</u>	<u>(96,971)</u>	<u>-</u>	<u>(2,253,659)</u>	<u>-</u>
Cash flows from investing activities						
Interest received	82,137	1,059	-	-	83,196	1,310
Net cash provided by investing activities	<u>82,137</u>	<u>1,059</u>	<u>-</u>	<u>-</u>	<u>83,196</u>	<u>1,310</u>
Net increase (decrease) in cash and cash equivalents and restricted cash	(29,406)	2,693,599	(86,824)	10,184	2,587,553	(4,073)
Cash and cash equivalents and restricted cash, beginning of year	24,855,661	2,794,140	3,644,123	198,029	31,491,953	389,296
Cash and cash equivalents and restricted cash, end of year	<u>\$ 24,826,255</u>	<u>\$ 5,487,739</u>	<u>\$ 3,557,299</u>	<u>\$ 208,213</u>	<u>\$ 34,079,506</u>	<u>\$ 385,223</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 9,724,111	\$ 58,262	\$ 837,779	\$ (24,258)	\$ 10,595,894	\$ 718,031
Adjustments to reconcile operating income (loss) to net cash provided by operating activities						
Depreciation and amortization	2,877,447	558,275	-	-	3,435,722	-
Changes in assets and liabilities						
Accounts receivable	221,463	(74,973)	(117,686)	19,328	48,132	-
Lease receivable	-	-	(1,321,411)	-	(1,321,411)	-
Due from/to other funds, net	(8,671)	(27,687)	448,992	(40,976)	371,658	(465,063)
Inventories	16,054	(11,402)	-	-	4,652	-
Prepaid items	132,987	(915)	-	-	132,072	-
Accounts payable	(46,364)	(168,682)	(20,126)	5,756	(229,416)	-
Accrued expenses	71,509	2,720	-	-	74,229	(258,351)
Deferred inflow of resources	-	-	1,298,519	-	1,298,519	-
Compact fee liabilities	6,685	-	-	-	6,685	-
Unearned contract incentives	-	(47,333)	-	-	(47,333)	-
Unearned rebate revenue	-	474,881	-	-	474,881	-
Net cash provided (used) by operating activities	<u>\$ 12,995,221</u>	<u>\$ 763,146</u>	<u>\$ 1,126,067</u>	<u>\$ (40,150)</u>	<u>\$ 14,844,284</u>	<u>\$ (5,383)</u>

The accompanying notes are an integral part of these financial statements.

Nez Perce Tribe
Notes to Financial Statements
September 30, 2024

1) Organization and Summary of Significant Accounting Policies

Reporting Entity

The Nez Perce Tribe (the “Tribe”) is a federally recognized Indian Tribe located in the State of Idaho State. The governing body of the Tribe is the Nez Perce Tribal Executive Committee, duly elected by the enrolled members. The Tribe administers various grant programs and operates a number of various activities supported by tribal operations for the purpose of providing employment opportunities and to generate tribal income. The services provided by the Tribe include general government, health and human services, public safety, natural resources, and education.

The financial activities of the Tribe and its enterprises are confidential. The accompanying financial statements and related notes are to be distributed only based on authorization from the Tribal Executive Committee or its designee.

Legal Entity

All the entities (funds, enterprises, institutions, agencies, departments, and offices) that are not legally separate are part of the Tribe’s primary government for financial reporting purposes. The legal entity includes:

- Governmental and regulatory offices, agencies, and governmental departments of the Tribe.
- Enterprises of the Tribe, which include the Nez Perce Tribe Gaming Enterprises, Nez Perce Tribal Non-Gaming Enterprises, Nez Perce Tribe Land Enterprise, Loan Program Enterprise, and Nez Perce Forest Products Enterprise.

Related Entities

Nez Perce Tribal Housing Authority - The Tribe’s financial statements do not include the Nez Perce Tribal Housing Authority (the “Housing Authority”), a separate legal entity and a related entity to the Tribe as defined in GASB Statement No. 14, as amended by GASB Statement No. 39, as indicated by the following factors:

- The Housing Authority Board is solely responsible for its employment of personnel, its administration of day-to-day affairs, and its fiscal affairs.
- The Tribe does not have the ability to impose its will on the Housing Authority Board by any of the following: removing members at will; modifying or approving budgets; modifying or approving rent charges; vetoing, overruling, or modifying decisions; or the ability to support, hire, reassign, or dismiss management.
- The Tribe is neither entitled to operating surpluses nor responsible for operating deficits.

Based on these factors, it has been concluded that the Housing Authority is not a component unit and that the Tribe has no oversight responsibility for the Housing Authority and, therefore, the financial statements of the Housing Authority are excluded from the reporting entity.

Nez Perce Tribe
Notes to Financial Statements
September 30, 2024

Basis of Presentation

The financial statements of the Tribe have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB statements and interpretations constitute GAAP for governments, including tribal governments.

Basic Financial Statements

The basic financial statements of the Tribe include government-wide statements and fund financial statements. The focus is on the Tribe as a whole in the government-wide statements, while reporting additional and detailed information about the Tribe's major governmental activities in the fund financial statements.

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities display information about the Tribe's primary government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between governmental and business-type activities of the Tribe.

Governmental activities are financed primarily through grants and contracts, investment income, taxes, and transfers from business-type activities. Business-type activities are financed primarily by revenues earned in transactions with external parties.

The government-wide statement of activities reflects the cost of programs and functions reduced by directly associated revenue to arrive at the net revenue or expense for each program and function. Net program revenues or expenses for governmental and business-type activities are then adjusted for general revenues to determine the change in net position for the year. Indirect expenses such as support services and administration incurred by the general government and other functions/activities have been eliminated from these financial statements.

Fund Financial Statements

The fund financial statements provide information about the Tribe's funds. Separate statements for each fund category - governmental and proprietary - are presented. The emphasis of fund financial reporting is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds.

The Tribe reports the following governmental funds:

Major Funds

General Fund - The general fund is the Tribe's primary operating fund. It accounts for all governmental financial resources, except those required to be accounted for in another fund.

Nez Perce Tribe
Notes to Financial Statements
September 30, 2024

Nimiipuu Health - Nimiipuu Health (the “Clinic”) provides healthcare for Tribal members under an annual funding agreement from Indian Health Services (IHS) along with other health related grants and contracts. These funds are restricted for the purpose of providing healthcare in accordance with the IHS annual funding agreement.

Grants and Contracts Fund - The grants and contracts fund is used to account for grant funds received by the Tribe except for the activities reported under the Clinic.

Nonmajor Fund

Tribal Member Distributions Trust Fund - The Tribal member distributions trust fund is used to account for funds held by the Tribe for Tribal members to be distributed once certain eligibility requirements have been met.

The Tribe reports the following proprietary (enterprise) funds:

Major Funds

Nez Perce Tribe Gaming Enterprises - The Nez Perce Tribe Gaming Enterprises (the “Casinos”) operates two Casinos, one located in Lewiston, Idaho, and the other located in Kamiah, Idaho, and gaming machines inside a convenience store. The Casinos offer class II and III gaming activities. Casino operations include food and beverage services, an events center, and a gift shop. Included in the financial statements of the Casinos are the activities from the operation of a hotel and a recreational vehicle park.

Nez Perce Tribal Non-Gaming Enterprises - Nez Perce Tribal Non-Gaming Enterprise (the “Non-Gaming Enterprises”) consist of the convenience store operations of the Nez Perce Express II, located near Lewiston, Idaho, and the Nez Perce Express Camas, located in Winchester, Idaho, which provides fuel, deli, food and beverages, and tobacco to customers from the surrounding areas of northern Idaho and eastern Washington. The Non-Gaming Enterprises also own a nonoperational convenience store near Orofino, Idaho, reported as Riverside, which was purchased by the Non-Gaming Enterprises during the year ended September 30, 2020.

In addition to the convenience operations, the Non-Gaming Enterprises also include the Red Wolf Golf Club (formerly known as Clarkston Golf and Country Club), located in Clarkston, Washington, which offers an 18-hole golf course, club house, and restaurant, and Zims Hot Springs, located near McCall, Idaho, which offers access to natural hot springs and camping.

Nez Perce Tribe Land Enterprise - Nez Perce Tribe Land Enterprise (the “Land Enterprise”) accounts for the acquisition of reservation lands and leasing of lands for farming and grazing.

Nonmajor Funds

Loan Program Enterprise - The Loan Program Enterprise (the “Loan Program”) was established to provide maximum short-term financing opportunities for Tribal members. This enterprise is reported as a nonmajor enterprise fund.

Nez Perce Tribe
Notes to Financial Statements
September 30, 2024

Nez Perce Forest Products Enterprise - The Nez Perce Forest Products Enterprise (the "Forest Products") was established to harvest timber owned by the Tribe. This enterprise is reported as a nonmajor enterprise fund.

Additionally, the Tribe also administers an internal service fund:

Internal Service Fund - The internal service fund is used to account for goods and services provided by one department or agency to other departments or agencies of the Tribe on a cost reimbursement basis. The internal service fund includes the activities of the Tribe's workers' compensation self-insurance fund.

Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Tribe gives (or receives) value without directly receiving (or giving) equal value in exchange, include possessory interest and taxes, grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which eligibility requirements have been satisfied.

Proprietary fund operating revenues result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses of proprietary funds include the cost of sales and services, general and administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Tribe considers all revenues reported in the governmental funds to be available if the revenue is collected within one year (the Tribe does not assess nor collect ad valorem property taxes).

Expenditures are recorded when the related fund liability is incurred, except for debt service expenditures, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

Budgets

The Tribe uses budgets as operational tools in certain funds, but does not adopt legally appropriated budgets as defined by GASB. Therefore, budgetary comparisons are not reported in these financial statements.

Nez Perce Tribe
Notes to Financial Statements
September 30, 2024

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand and demand deposits as well as cash in time deposits with an original maturity date within three months of the date acquired by the Tribe. For the purpose of reporting on the statement of cash flows, the Tribe considers all nonnegotiable certificate of deposits and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Short-term investments are stated at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. In addition, short-term investments are presented in the financial statements in accordance with GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, which addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Investments are reported at fair value which is the amount at which financial instruments could be exchanged in a current transaction between willing parties. The Tribe may hold investments consisting of U.S. government obligations and short-term interest-bearing investments consisting of certificates of deposit, mutual funds, and other income producing securities. Money market accounts and certificates of deposits are carried at cost because they are not affected by market rate changes. Investment earnings, including interest income, are recorded in the funds which hold the cash and investments. The Tribe categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Accounts Receivable

Accounts receivable consists of trade receivables, lease receivables, ATM and cash advance receivables, credit card receivables, employee related, loan receivables, interest receivables, and other receivables. An allowance of \$777,086 has been recorded to allow for estimated uncollectible health clinic billings within the Nimiipuu Health fund.

Grants Receivable

The Tribe recognizes grants receivable to the extent reimbursable program expenditures/expenses exceed receipts from grants and contracts.

Lease Receivable and Deferred Inflows of Resources

The Tribe reports a lease receivable and deferred inflows of resources for all leases meeting the requirements of GASB Statement No. 87, *Leases*. The Tribe, as a lessor, leases a variety of land parcels to third parties under the Nez Perce Tribe Land Enterprise. The lease receivable is recorded at the present value of the future lease payments. Over the lease term, the Tribe recognizes revenues from interest income and the amortization of the deferred inflow of resources. The Tribe considers these leases to

Nez Perce Tribe
Notes to Financial Statements
September 30, 2024

be fully collectible, accordingly, no allowances for doubtful accounts has been established.

Inventories

Inventories are valued at average cost. Cost is determined using the first-in, first-out (FIFO) average cost method.

Prepaid Items and Other Assets

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital and Right-to-Use Assets, Depreciation, and Amortization

Capital assets are recorded in the government-wide and proprietary fund financial statements at historical cost or estimated historical cost if actual cost is not available. Contributed assets, including those from the federal government, are valued at their estimated fair value on the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets and/or the contract terms are as follows:

Asset Category	Capitalization Threshold	Estimated Useful Life and/or Lease Term in Years
Buildings and improvements	\$ 5,000	5 - 50
Furniture, fixtures, and equipment	\$ 5,000	2 - 30
Water and sewer systems	\$ 5,000	50

Depreciation and amortization are provided in the government-wide and proprietary fund financial statements using the straight-line method over the estimated useful lives of the respective assets and/or the contract terms.

Management reviews the recoverability of its long-lived assets in accordance with the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. GASB Statement No. 42 requires recognition of impairment of long-lived assets in the event the assets' service utility has declined significantly and unexpectedly. Accordingly, management evaluates assets' utility annually or when an event occurs that may impair recoverability of the asset. The Tribe had no impaired assets at September 30, 2024.

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the vendor, plus any capitalizable initial

Nez Perce Tribe
Notes to Financial Statements
September 30, 2024

implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying asset. The Tribe's SBITA capitalization threshold is set at \$25,000.

The Tribe recognizes lease contracts that meet the definition of lease under GASB Statement No. 87, *Leases*, and meets the Tribe's leases capitalization threshold of \$25,000. At the contract inception, the right of use asset and lease liability are measured at the present value of payments expected during the contract term. The Tribe uses a discount rate that is explicitly stated in the contract. When a discount rate is not readily available, the Tribe uses their incremental borrowing rate at the start of the lease for a similar asset type and term length to the contract. Short-term lease payments are expensed when incurred.

Compensated Absences

It is the Tribe's policy to permit employees to accumulate earned, but unused, vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave since the Tribe has no obligation to pay upon termination, but a liability exists for accumulated vacation leave. Vacation benefits earned for employees meeting the requirements are recorded in the governmental-wide and proprietary fund financial statements as a liability for earned but unpaid vacation.

Unearned Revenues

Unearned grant revenue represents amounts that have been received by the programs from the respective funding agencies that have not yet been expended for the intended purposes.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statements of net position.

Interfund Receivables/Payables

During the course of operations, transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the accompanying fund financial statements and are eliminated in the accompanying government-wide financial statements. Interfund transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transfers are reported as transfers.

Nez Perce Tribe
Notes to Financial Statements
September 30, 2024

Net Position/Fund Balances

The financial statements have been presented in accordance with the reporting model required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The intention of the Statement is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB Statement No. 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash, such as inventories, prepaid amounts, and long-term notes receivable, or they are legally or contractually required to remain intact. In addition to the nonspendable fund balance, GASB Statement No. 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- *Restricted.* Fund balances that are restricted for specific purposes stipulated by external parties, constitutional provisions, or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed.* Fund balances that can only be used for the specific purposes determined by a formal action of the Tribe's highest level of decision-making authority, the Tribal Council. Commitments may be changed or lifted only by the Tribe taking the same formal action that imposed the constraint originally (for example a resolution or ordinance).
- *Assigned.* Fund balances that are intended to be used by the Tribe for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the Director of Finance, or (b) an appointed body (such as budget or finance committee) or official to which the Congress has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as nonspendable, restricted or committed. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type.
- *Unassigned.* Fund balance of the general fund that is not constrained for any particular purposes. It is also the residual classification for all negative fund balances.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of nonspendable, restricted, committed, assigned, and unassigned.

Nez Perce Tribe
Notes to Financial Statements
September 30, 2024

In the government-wide financial statements, net position are classified in the following categories:

- *Net Investment in Capital Assets.* This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.
- *Restricted.* This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation, or constitutional provisions.
- *Unrestricted.* This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

Operating Revenues and Expenses

Operating revenues are derived from gaming activities, food and beverage, hotel, merchandise, and other sales. Operating expenses include the cost of sales and services, selling, general, and administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting those definitions are reported as nonoperating revenues and expenses.

Gaming Revenues

Gaming revenues are reported as the difference between gaming wins and losses, less incentives and other adjustments such as the Casinos’ annual change of in-house incremental progressive jackpots and pool liabilities.

Loyalty Program

The players’ club loyalty program offered at the Casinos allows customers to redeem points earned from their gaming activities for goods, services, or free play. At the time redeemed, the retail value of the points redeemed for goods or services are recorded as revenue with a corresponding offsetting amount included in promotional allowances. The costs associated with goods or services redeemed under the players’ club program are recorded as operating cost. Free play is recorded as contra revenue.

Advertising Costs

The Tribe charges advertising costs to expense as incurred. Advertising costs for the year ended September 30, 2024, were \$986,696.

Income Taxes

Pursuant to an Act of Congress, the Tribe is treated as a sovereign tribe and its commercial operations are exempt from all income taxation imposed by the federal government, any state, or any political subdivision thereof. Accordingly, there are no provisions for federal or state income taxes in the accompanying financial statements.

Nez Perce Tribe
Notes to Financial Statements
September 30, 2024

2) Cash and Cash Equivalents and Restricted Cash

The composition of cash and cash equivalents at September 30, 2024, is as follows:

Governmental activities unrestricted cash and cash equivalents	\$ 57,573,802
Governmental activities restricted cash	3,023,503
Business-type activities unrestricted cash and cash equivalents	31,837,864
Business-type activities restricted cash	2,241,642
	<u>\$ 94,676,811</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Tribe's deposits may not be returned to it. The Tribe does not have a deposit policy for custodial credit risk. At September 30, 2024, the carrying amount of the Tribe's combined governmental activities and business-type activities cash was \$94,676,811. Aggregate demand deposit bank balances were \$60,420,612. Of the bank balances, \$750,000 was covered by the Federal Deposit Insurance Corporation (FDIC), \$59,574,279 was secured by collateral pledged by the Tribe's financial institution, and \$96,333 was uninsured and uncollateralized.

3) Investments and Restricted Investments

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Tribe will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investment transactions for the Tribe are conducted on a deliver-versus-payment basis. Securities are held by a third-party custodian designated by the treasurer and evidenced by trade confirmation receipts. At September 30, 2024, certificates of deposits held by financial institutions totaled \$609,417. At September 30, 2024, all certificate of deposits were either insured by the FDIC or collateralized by the Tribe's financial institution.

Concentration of Credit Risk

The Tribe's investments are comprised of the following as of September 30, 2024:

	Fair Value	Concentration Percentage
Certificates of deposit	\$ 609,417	0.32%
Corporate equity securities	121,898,118	64.81%
Government securities	12,270,732	6.52%
Corporate bonds and notes	27,683,281	14.72%
Mutual funds	25,635,565	13.63%
Total investments	<u>\$ 188,097,113</u>	<u>100.00%</u>

Nez Perce Tribe
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Fair Value Measurement

The Tribe's investments were measured and reported at fair value and are classified according to the following hierarchy:

- Level 1 Investments reflect prices quoted in active markets.
- Level 2 Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- Level 3 Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based on the pricing transparency of the instrument and should not be perceived as the particular investment's risk. The following table sets forth by level, within the fair value hierarchy, the Tribe's assets at fair value as of September 30, 2024:

Governmental Activities	Level 1	Level 2	Total
Investment type			
Corporate equity securities	\$ 121,898,118	\$ -	\$ 121,898,118
Government securities	-	12,270,732	12,270,732
Corporate bonds and notes	27,683,281	-	27,683,281
Mutual funds	25,635,565	-	25,635,565
Total investments accounted for at fair value	<u>\$ 175,216,964</u>	<u>\$ 12,270,732</u>	187,487,696
Certificate of deposit (excluded from fair value measurement)			609,417
Total investments			<u>\$ 188,097,113</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes to market interest rates.

At September 30, 2024, the Tribe's investment maturities, for applicable investments, are as follows:

	Fair Value	Maturity in Years					Not Applicable
		< 1	1-5	6-10	>10		
Certificates of deposit	\$ 609,417	\$ 609,417	\$ -	\$ -	\$ -	\$ -	-
Corporate equity securities	121,898,118	-	-	-	-	-	121,898,118
Government securities	12,270,732	1,647,534	690,258	1,203,972	8,728,968	-	-
Corporate bonds and notes	27,683,281	1,433,123	17,746,909	6,825,652	1,677,597	-	-
Mutual funds	25,635,565	-	-	-	-	-	25,635,565
Total investments	<u>\$ 188,097,113</u>	<u>\$ 3,690,074</u>	<u>\$ 18,437,167</u>	<u>\$ 8,029,624</u>	<u>\$ 10,406,565</u>	<u>\$ -</u>	<u>\$ 147,533,683</u>

Credit Risk – Investments

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment.

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The investment policy also addresses credit risk by establishing benchmarks for short-term and intermediate/long-term fixed income holdings. Short/intermediate-term holdings (maximum 5 years) must have a minimum rating of Baa2, and an average portfolio rating of A2 plus or better. Intermediate/long-term holdings (2 to 15 years, average maturities 3 to 6 years) must have a minimum rating of Ba2 and a weighted average rating of A2.

At September 30, 2024, the Tribe held investments with the following associated credit risk:

Rating (Standard & Poor's)	Certificates of Deposit	Corporate Equity Securities	Government Securities	Corporate Bonds and Notes	Mutual Funds	Total
AAA	\$ -	\$ -	\$ -	\$ 218,802	\$ -	\$ 218,802
AA	-	-	-	528,614	-	528,614
AA-	-	-	-	121,824	-	121,824
A+	-	-	-	3,401,981	-	3,401,981
A	-	-	-	915,806	-	915,806
A-	-	-	-	2,796,369	-	2,796,369
BBB+	-	-	-	4,355,205	-	4,355,205
BBB	-	-	-	3,056,090	-	3,056,090
BBB-	-	-	-	2,913,897	-	2,913,897
BB+	-	-	-	2,741,451	-	2,741,451
BB	-	-	-	3,077,629	-	3,077,629
BB-	-	-	-	1,634,004	-	1,634,004
B+	-	-	-	1,455,728	-	1,455,728
B	-	-	-	308,043	-	308,043
B-	-	-	-	157,838	-	157,838
Not rated	609,417	121,898,118	12,270,732	-	25,635,565	160,413,832
Fair Value	\$ 609,417	\$ 121,898,118	\$ 12,270,732	\$ 27,683,281	\$ 25,635,565	\$ 188,097,113

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the Tribe's deposits. As of September 30, 2024, the Tribe's investments were not exposed to foreign currency risk.

4) Restricted Cash and Investments

Salmon and Clearwater Funds

Cash and cash equivalents totaling \$640,479 and investments totaling \$25,759,835 were restricted for supplementing amounts made available under any other law for habitat protection and restoration in the Salmon and Clearwater River Basins in Idaho, including projects and programs intended to protect and restore listed fish and their habitat in those basins at September 30, 2024. The amounts are presented as restricted cash and investments on the balance sheet and statement of net position.

Nez Perce Tribe
Notes to Financial Statements
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Water and Fisheries Funds

Cash and cash equivalents totaling \$1,816,889 and investments totaling \$80,488,194 were restricted for acquiring land and water rights, restoring or improving fish habitat, or for fish production, agricultural development, cultural preservation, water resource development, or fisheries-related projects at September 30, 2024. The amounts are presented as restricted cash and investments on the balance sheet and statement of net position.

Domestic Water Funds

Cash and cash equivalents totaling \$566,135 and investments totaling \$31,962,936 were restricted for paying the costs for design and construction of water supply and sewer systems for Tribal communities, including a water quality testing laboratory, at September 30, 2024. The amounts are presented as restricted cash and investments on the balance sheet and statement of net position.

Casinos

Cash and cash equivalents totaling \$2,241,642 were restricted due to an amended debt agreement disclosed in Note 14 and funds are held in escrow with a financial institution in a pledged account as required by the terms of an agreement between the Casinos and the financial institution at September 30, 2024. The amounts are presented as restricted cash on both statements of net position.

5) Grant Receivable

The following amounts are grant receivable from the respective funding agencies at September 30, for grant/contract program reimbursements reported in the governmental funds.

U.S. Department of Energy	\$ 4,615,608
U.S. Department of the Interior	995,396
U.S. Department of Health and Human Services	1,069,995
U.S. Department of Commerce	474,602
U.S. Department of Transportation	370,604
U.S. Department of Defense	358,019
U.S. Department of Justice	351,426
U.S. Environmental Protection Agency	143,517
U.S. United States Department of Agriculture	88,760
U.S. Department of Education	77,857
U.S. Equal Employment Opportunity Commission	32,000
U.S. Department of Homeland Security	13,178
U.S. National Foundation on the Arts and the Humanities	3,197
State, private, and other fund sources	1,595,102
	<u>\$ 10,189,261</u>

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6) Lease Receivable and Deferred Inflows of Resources

The Tribe has entered into several lease agreements, as the lessor, with various third parties for the use of land. These leases were determined to be subject to GASB Statement No. 87, *Leases*. The Tribe is reporting total lease receivables of \$1,321,411 and a corresponding deferred inflow of resources of \$1,298,519 in the statement of net position and Nez Perce Tribe Land Enterprise. The lease balances were calculated with an assumed 5% interest rate.

The following is a schedule of total principal and interest payments receivable under lease agreements as of September 30, 2024.

Year Ending September 30,	Principal	Interest	Total
2025	\$ 355,009	\$ 59,510	\$ 414,519
2026	358,394	41,201	399,595
2027	312,770	23,501	336,271
2028	216,815	9,535	226,350
2029	68,486	1,682	70,168
2030-2034	9,937	334	10,271
Total	<u>\$ 1,321,411</u>	<u>\$ 135,763</u>	<u>\$ 1,457,174</u>

7) Capital Assets

Capital and right-to-use assets activity for the year ended September 30, 2024, for governmental activities, is summarized as follows:

	Governmental Activities				September 30, 2024
	October 1, 2023	Additions	Disposals	Transfers	
<i>Governmental activities</i>					
Capital assets not being depreciated/amortized					
Land and timber	\$ 55,066,180	\$ 610,000	\$ -	\$ 297,530	\$ 55,973,710
Construction in progress	14,918,353	7,642,950	-	(4,283,876)	18,277,427
Arts and collectibles	608,100	-	-	-	608,100
Total capital assets not being depreciated/amortized	<u>70,592,633</u>	<u>8,252,950</u>	<u>-</u>	<u>(3,986,346)</u>	<u>74,859,237</u>
Capital and right-to-use assets being depreciated/amortized					
Buildings and improvements	29,255,241	37,445	-	3,986,346	33,279,032
Furniture, fixtures, and equipment	34,408,190	2,519,440	(7,789)	-	36,919,841
Water and sewer systems	11,734,280	81,183	-	-	11,815,463
Right-to-use subscription assets	1,125,209	309,547	-	-	1,434,756
Right-to-use lease assets	493,969	49,449	(26,080)	-	517,338
Total capital and right-to-use assets being depreciated/amortized	<u>77,016,889</u>	<u>2,997,064</u>	<u>(33,869)</u>	<u>3,986,346</u>	<u>83,966,430</u>
Less accumulated depreciation/amortization for					
Building and improvements	(14,546,347)	(975,235)	-	-	(15,521,582)
Furniture, fixtures, and equipment	(23,875,734)	(1,844,494)	8,678	-	(25,711,550)
Water and sewer systems	(7,820,727)	(394,638)	-	-	(8,215,365)
Right-to-use subscription assets	(312,558)	(608,280)	-	-	(920,838)
Right-to-use lease assets	(31,157)	(98,269)	-	-	(129,426)
Total accumulated depreciation/amortization	<u>(46,586,523)</u>	<u>(3,920,916)</u>	<u>8,678</u>	<u>-</u>	<u>(50,498,761)</u>
Total capital and right-to-use assets being depreciated/amortized, net	<u>30,430,366</u>	<u>(923,852)</u>	<u>(25,191)</u>	<u>3,986,346</u>	<u>33,467,669</u>
Total capital and right-to-use assets, net	<u>\$ 101,022,999</u>	<u>\$ 7,329,098</u>	<u>\$ (25,191)</u>	<u>\$ -</u>	<u>\$ 108,326,906</u>

Nez Perce Tribe
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Depreciation and amortization expense was charged to functions as follows:

	Governmental Activities
General government	\$ 1,258,614
Health and human services	1,078,252
Public safety	125,469
Natural resources	1,305,665
Education	152,916
	\$ 3,920,916

Capital assets activity for the year ended September 30, 2024, for business-type activities, is summarized as follows:

	Business-Type Activities				
	October 1, 2023	Additions	Disposals	Transfers	
<i>Business-Type Activities</i>					
Capital assets not being depreciated/amortized					
Land	\$ 20,103,781	\$ 311,334	\$ -	\$ -	\$ 20,415,115
Construction in progress	1,513,490	555,371	-	(1,427,743)	641,118
Total capital assets not being depreciated/amortized	21,617,271	866,705	-	(1,427,743)	21,056,233
Capital assets being depreciated/amortized					
Buildings and improvements	45,930,361	248,335	-	33,805	46,212,501
Furniture, fixtures, and equipment	22,017,021	872,950	-	1,393,938	24,283,909
Total capital assets being depreciated/amortized	67,947,382	1,121,285	-	1,427,743	70,496,410
Less accumulated depreciation/amortization for					
Buildings and improvements	(25,487,662)	(1,900,168)	-	642	(27,387,188)
Furniture, fixtures, and equipment	(18,912,036)	(1,535,554)	-	(642)	(20,448,232)
Total accumulated depreciation/amortization	(44,399,698)	(3,435,722)	-	-	(47,835,420)
Total capital assets being depreciated/amortized, net	23,547,684	(2,314,437)	-	1,427,743	22,660,990
Total capital assets, net	\$ 45,164,955	\$ (1,447,732)	\$ -	\$ -	\$ 43,717,223

8) Avista Settlement Receivable

During the year ended September 30, 1999, the Tribe completed negotiation of a settlement of its suit against Avista regarding damages to fish runs on the Clearwater River. The settlement agreement resulted in one payment to the Tribe of \$2,500,000 and \$260,512 annually for the subsequent 43 years before legal fees. As of September 30, 2024, the present value of future settlement proceeds, discounted at a rate of 6%, is \$9,322,584. This amount is recorded as settlement receivable on the statement of net position.

Nez Perce Tribe
Notes to Financial Statements
September 30, 2024

9) Long-Term Liabilities

The following is a summary of changes in long-term liabilities of governmental activities for the year ended September 30, 2024:

	October 1, 2023	Additions	Payments	September 30, 2024	Due Within One Year
Governmental activities					
Lease liabilities	\$ 455,708	\$ 49,449	\$ (83,847)	421,310	\$ 90,567
Subscription liabilities	735,337	309,547	(606,230)	438,654	438,654
Notes payable	3,250,681	-	(1,182,344)	2,068,337	539,173
Lines of credit	11,259,407	-	(5,807,139)	5,452,268	5,452,268
Compensated absences	3,133,191	-	(877,344)	2,255,847	-
Governmental activities long-term liabilities	<u>\$ 18,834,324</u>	<u>\$ 358,996</u>	<u>\$ (8,556,904)</u>	<u>\$ 10,636,416</u>	<u>\$ 6,520,662</u>

The Tribe's Notes payable and line of credit payable, is summarized as follows:

Description	Amount
Note payable to U.S. Department of Agriculture (USDA) Rural Development, annual payments of \$21,819 on April 16, including interest of 5.25% per annum, maturity date April 2033; secured by an assignment of trust funds and income.	\$ 151,319
Note payable to USDA Rural Development, annual payments of \$112,180, including interest of 3.75%, maturity date December 2041; secured by sewer system fee income.	1,449,285
Note payable to Umpqua Bank, monthly payments of \$42,530, including interest of 6.38%, maturity date December 2025; secured by assignment of lease income.	467,733
Line of credit of \$15,000,000 from Bank of America, monthly payments consisting of interest only were due on the first day of each month, interest is variable and is equal to the SOFR Daily Floating Rate plus 2%, maturity date extended to June 1, 2025; secured by investments. \$3,740,593 was available to draw at year-end. The interest rate at September 30, 2023, was 7.51%.	<u>5,452,268</u>
Total	7,520,605
Less current maturities	<u>5,991,441</u>
Total long-term debt, governmental activities, net of current maturities	<u>\$ 1,529,164</u>

The following schedule summarizes the debt service maturities as of September 30, 2024:

Years ending September 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 5,991,441	\$ 85,941	\$ 6,077,382
2026	161,548	60,217	221,765
2027	77,484	56,515	133,999
2028	80,618	53,381	133,999
2029	83,759	50,240	133,999
2030 - 2034	451,354	196,822	648,176
2035 - 2039	450,099	110,801	560,900
2040 - 2044	<u>224,302</u>	<u>23,903</u>	<u>248,205</u>
Total	<u>\$ 7,520,605</u>	<u>\$ 637,820</u>	<u>\$ 8,158,425</u>

Nez Perce Tribe
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September 30, 2024

Lease Liabilities

In 2018, the Clinic and Enterprise FM Trust entered into lease agreements to lease vehicles. In 2023, 16 vehicles were delivered to the Clinic. All leases have a 60-month term. The leases are recorded at the present value of the future minimum lease payments. An initial lease liability was recorded in the amount of \$493,969. The Clinic is required to make monthly payments ranging from \$531 to \$899. The leases have interest rates ranging from 7.31% to 8.14%. The future lease payment obligations are outlined below:

Years ending September 30,	Principal	Interest	Total
2025	\$ 90,567	\$ 25,633	\$ 116,200
2026	97,827	18,373	116,200
2027	105,670	10,530	116,200
2028	127,246	2,425	129,671
Total	<u>\$ 421,310</u>	<u>\$ 56,961</u>	<u>\$ 478,271</u>

Subscription Liabilities

As of September 30, 2024, the Tribe had subscription liabilities totaling \$438,654 related to eight subscription based information technology arrangements (SBITAs), with an estimated interest rate of 4%. These liabilities are scheduled to mature in fiscal years 2025. In fiscal year 2024, the Tribe made principal payments of \$606,230 and interest payments of \$11,887 on these subscription liabilities. The future subscription payment obligation are outlined below:

Year ending September 30,	Principal	Interest	Total
2025	\$ 438,654	\$ 15,634	\$ 454,288
Total	<u>\$ 438,654</u>	<u>\$ 15,634</u>	<u>\$ 454,288</u>

The following is a summary of changes in long-term liabilities of business-type activities for the year ended September 30, 2024:

	October 1, 2023	Additions	Payments	September 30, 2024	Due Within One Year
Business-type activities					
Notes payable	\$ 3,165,412	\$ -	\$ (589,810)	\$ 2,575,602	\$ 694,042
Unearned contract incentives	47,333	-	(47,333)	-	-
Unearned rebate revenue	67,710	602,880	(127,999)	542,591	120,576
Brand incentive loans	-	1,555,000	-	1,555,000	-
Business-type activities long-term liabilities	<u>\$ 3,280,455</u>	<u>\$ 2,157,880</u>	<u>\$ (765,142)</u>	<u>\$ 4,673,193</u>	<u>\$ 814,618</u>

Nez Perce Tribe
Notes to Financial Statements
September 30, 2024

Long-term debt at September 30, 2024, was as follows:

Description	Amount
Note payable to bank, original amount of \$8,000,000, payable in monthly payments of \$61,856, including interest of 3.99%, variable interest rate fixed for ten-year period, then to be reset; collateralized by equipment purchased, certain timber ground mortgages, the assignment of proceeds of a certain legal settlement the Tribe held, and the assignment and pledge to the lender of a certificate of deposit. In June 2022, the maturity of the loan was extended to September 30, 2028, and the interest rate was increased to 4.50%. In relation to the pledged certificate of deposit, the Casinos have a covenant not to withdraw funds from the account, and the lender has the sole right to withdraw all or any part of the account funds in the event of default.	\$ 2,575,602
In 2024, the Non-Gaming Enterprises received unearned rebate revenue from CityServiceValcon, LLC in the amount of \$947,940 for advance of funds representing the estimated rebate over the life of the contract entered into with CityServiceValcon, LLC. The balance is amortized on a straight-line basis as fuel is purchased over five years. Reductions of the liability are recognized as a reduction of the cost of sales in the statement of revenues, expenses, and changes in net position. No payments are required except in the event of one of the conditions noted above.	542,591
In 2024, the Non-Gaming Enterprises received brand incentive loans from CityServiceValcon, LLC in the amount of \$1,555,000. The Non-Gaming Enterprises have to repay these loans or any remaining balance, if, on or before March 31, 2034, any of the following events occur: the Enterprises discontinue actively marketing a minimum three grades of Conoco branded motor gasoline; or the Enterprises begin selling non-Conoco branded motor gasoline; or the Fuel Supply Contracts between CSV and the Enterprises are terminated for any reason. The occurrence of any of the aforementioned events is considered an acceleration event. Upon the occurrence of the acceleration event, the brand incentive loans are immediately due and payable to CSV.	<u>1,555,000</u>
Total	<u>4,673,193</u>
Less current maturities	<u>814,618</u>
Total long-term debt, business-type activities, net of current maturities	<u>\$ 3,858,575</u>

The following schedule summarizes the note payable maturities as of September 30, 2024:

Years ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 694,042	\$ 110,082	\$ 804,124
2026	671,332	70,936	742,268
2027	702,173	40,095	742,268
2028	<u>508,055</u>	<u>8,982</u>	<u>517,037</u>
Total	<u>\$ 2,575,602</u>	<u>\$ 230,095</u>	<u>\$ 2,805,697</u>

Nez Perce Tribe
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The following schedule summarizes unearned contract incentive and unearned rebate incentive maturities as of September 30, 2024:

Years ending September 30,	Business-Type Activities	
	Unearned Contract Incentive	Unearned Rebate Incentive
2025	\$ 120,576	\$ -
2026	120,576	-
2027	120,576	-
2028	120,576	-
2029	60,287	155,500
2030-2034	-	1,399,500
Total	<u>\$ 542,591</u>	<u>\$ 1,555,000</u>

10) Unearned Revenue

At September 30, 2024, unearned revenue and deposits consisted of the following:

U.S. Department of the Interior	\$ 19,784,536
U.S. Department of Treasury	9,307,870
U.S. Department of Transportation	976,774
U.S. Department of Defense	530,962
U.S. Department of Health and Human Services	15,671
U.S. Department of Energy	136,795
U.S. Environmental Protection Agency	85,098
U.S. Department of Commerce	66,917
U.S. Department of Agriculture	61,609
U.S. Department of Homeland Security	9,570
U.S. Department of Justice	3,303
U.S. National Science Foundation	288
State, private, and other fund sources	<u>4,480,058</u>
Total grants	35,459,451
Other	<u>306,189</u>
Total	<u>\$ 35,765,640</u>

11) Interfund and Transfer Activity

The Tribe uses interfund accounts for temporary borrowing between funds. No repayment dates have been established, but borrowings are generally expected to be repaid within the current period.

Nez Perce Tribe
Notes to Financial Statements
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Interfund receivables and payables balances at September 30, 2024, are summarized as follows:

	Due to Other Funds	Due from Other Funds
General fund	\$ 3,496,489	\$ -
Nimiipuu Health	-	150,025
Grants and contracts fund	-	5,308,978
Nonmajor governmental funds	-	39,286
Internal service fund	-	3,758,921
Nez Perce Tribe Gaming Enterprises	-	8,308,397
Nez Perce Tribal Non-Gaming Enterprises	8,526,985	-
Nez Perce Tribe Land Enterprises	4,907,595	-
Nonmajor proprietary funds	634,538	-
Total	\$ 17,565,607	\$ 17,565,607

Interfund Transfers

Interfund transfers are used when resources of one fund are used to subsidize a portion of operations accounted for in another fund. Interfund transfers for the year ended September 30, 2024, are summarized as follows:

	Transfers to Other Funds	Transfers from Other Funds
General fund	\$ -	\$ 12,118,930
Nimiipuu Health	-	250,000
Grants and contracts fund	2,245,144	-
Nonmajor governmental funds	-	1,517,482
Nez Perce Tribe Gaming Enterprises	10,059,682	-
Nez Perce Tribal Non-Gaming Enterprises	516,000	-
Nez Perce Tribe Land Enterprises	1,115,920	-
Nonmajor proprietary funds	-	50,334
Total	\$ 13,936,746	\$ 13,936,746

During the fiscal year ended on September 30, 2024, the Tribe utilized \$1,267,300 from the U.S. Department of Treasury’s Coronavirus State and \$1,181,580 from the Local Fiscal Recovery Funds (SLFRF) and Local Assistance and Tribal Consistency Funds for specific governmental service expenditures, which are documented in the General Fund’s records. The SLFRF funds provided the Tribe with essential support to address COVID-19 and its economic impact. The usage of these funds complies with the grants’ guidelines.

Additionally, the Tribe allocated \$1,600,384 from the U.S. Department of Interior’s BIA Direct Contract Support Cost Funds towards activities in alignment with BIA programs, such as law enforcement, forestry, and social services. These activities are also documented in the General Fund’s records, and the use of funds adheres to BIA guidelines.

Nez Perce Tribe
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In the financial statements, these funds are presented as a transfer from the Grants and Contracts Fund to the General Fund. Finally, these expenditures are included as part of the grants expenditures in the Schedule of Expenditures of Federal Awards (SEFA).

12) Fund Balances

At September 30, 2024, the detail of fund balance categories is as follows:

	General Fund	Nimiipuu Health	Grants and Contracts Fund	Nonmajor Fund	Total
Nonspendable					
Inventories and prepaid items and other assets	\$ 872	\$ 552,653	\$ -	\$ -	\$ 553,525
Total nonspendable	<u>872</u>	<u>552,653</u>	<u>-</u>	<u>-</u>	<u>553,525</u>
Restricted					
Snake River Basin adjudication settlement	141,234,468	-	-	-	141,234,468
Healthcare related	-	26,803,165	-	-	26,803,165
Grant related	-	-	600,165	-	600,165
Total restricted	<u>141,234,468</u>	<u>26,803,165</u>	<u>600,165</u>	<u>-</u>	<u>168,637,798</u>
Committed					
Tribal member distributions trust fund	-	-	-	7,615,642	7,615,642
Restricted trust funds for per capita longhouse maintenance and construction, and scholarships	103,690	-	-	-	103,690
Reforestation	298,060	-	-	-	298,060
Mitigation activities	12,043,487	-	-	-	12,043,487
Healthcare related	-	180,204	-	-	180,204
Total committed	<u>12,445,237</u>	<u>180,204</u>	<u>-</u>	<u>7,615,642</u>	<u>20,241,083</u>
Unassigned					
	30,461,351	-	-	-	30,461,351
Total fund balance	<u>\$ 184,141,928</u>	<u>\$ 27,536,022</u>	<u>\$ 600,165</u>	<u>\$ 7,615,642</u>	<u>\$ 219,893,757</u>

13) Commitments

Gaming Related Commitments

The Casinos lease certain gaming machines under participation agreements. These agreements require the Casinos to pay the lessor a percentage of net win or coin-in, as applicable, from each gaming machine leased.

Amounts paid for participation rentals totaled \$1,727,893 for the year ended September 30, 2024.

Snake River Basin Adjudication

In 2005, a settlement regarding the Snake River Basin Adjudication (the “SRBA Agreement”) was approved by Congress. According to the SRBA Agreement, the Tribe may withdraw all or part of the funds to pay for specified projects only upon approval of a Tribal management and expenditure plan (the “Plan”) by the Secretary of the Interior (the “Secretary”). The Secretary shall approve the Plan if the Secretary determines that it is reasonable and consistent with the SRBA Agreement. Further, no payments are

Nez Perce Tribe
Notes to Financial Statements
September 30, 2024

allowed to any Tribal member on a “per capita” basis. On September 22, 2009, the Tribe submitted a Plan that was subsequently, approved by the Secretary on August 5, 2010. The funds were released to the Tribe and deposited with Merrill Lynch for investment management.

As of September 30, 2024, the balances in the funds, including historical investment earnings and losses were as follows:

Salmon and clearwater funds	\$ 26,400,314
Water and fisheries funds	82,305,083
Domestic water funds	32,529,071
Total	<u>\$ 141,234,468</u>

14) Employee Retirement Plan

Tribal Government

The Tribe maintains a defined contribution plan, the Nez Perce Tribe Employees’ Retirement Plan (the “Plan”), administered by the Plan trustee. Employees are eligible for the salary reduction arrangement and the Tribe’s matching contributions to the Plan on the first day of the month following, or coincident with, the completion of one hour of service. The Plan includes a salary deferral arrangement allowed under Section 401(k) of the Internal Revenue Code (IRC). Eligible participants are permitted to elect to have a percentage, limited by Plan provisions, of their compensation contributed as pre-tax 401(k) or Roth contributions to the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. The Tribe’s matching contribution was 100% of deferred contributions, up to a maximum of \$3,000 per employee, per plan year (calendar year). The Tribe’s matching and the participant’s contributions for the year ended September 30, 2024, totaled approximately \$1,877,004 and \$1,153,182, respectively.

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Tribe’s matching and profit-sharing contribution portion of their accounts, plus actual earnings thereon, is based on years of credited service. A participant is 50% vested after two years of credited service with a 1,000-hour minimum per year and 100% vested after three years of credited service with a 1,000-hour minimum per year. Notwithstanding the above, a participant is fully vested upon reaching normal retirement age, death, or permanent disability.

Nez Perce Tribe Gaming Enterprises

The Casinos’ eligible employees are covered under the Plan. The Casinos contributed approximately \$193,000 to the Plan during the year ended September 30, 2024, and employees contributed approximately \$242,000 for the year ended September 30, 2024.

Nez Perce Tribe
Notes to Financial Statements
September 30, 2024

Nez Perce Tribal Non-Gaming Enterprises

The Non-Gaming Enterprises' eligible employees are covered under the Plan. The Non-Gaming Enterprises contributed approximately \$28,000 to the Plan during the year ended September 30, 2024, and employees contributed approximately \$28,000 for the year ended September 30, 2024.

15) Deficit Net Position

The Loan Program Enterprise fund reported a deficit net position at September 30, 2024. The Tribe intends to eliminate the deficit with future transfers from the general fund.

16) Risk Management

The Tribe has a self-insured program for workers' compensation coverage for the benefit of all Tribal employees. The program administration is performed by a third-party administrator. Liabilities include an estimated amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency, and amount of payouts and other economic and social factors. Claims liabilities include incremental claim adjustment expenses. Excess risks are covered by commercial insurance purchased from independent third parties. The Tribe is responsible for paying workers' compensation claims up to a maximum of \$400,000, \$500,000, or \$750,000 per occurrence depending on employee's occupation. There have been no significant changes in insurance coverage from the prior year. In addition, no settlement in the last three years has exceeded the reinsurance coverage limit. Management believes they have adequately provided for all claims incurred in the financial statements.

Changes in the balances of claim liabilities during 2024 and 2023 were as follows:

	2024	2023
Unpaid claims, beginning of year	\$ 321,604	\$ 188,747
Incurred claims (including IBNR)	39,985	349,113
Claim payments	(298,336)	(216,256)
Unpaid claims, end of year	\$ 63,253	\$ 321,604

Claims liabilities are reported within accrued liabilities in the Internal Service Fund.

The Tribe is exposed to various risks of loss during its operations. The Tribe maintains commercial insurance covering health care services errors and omissions, business interruptions, destruction or loss of real and personal property, liabilities stemming from the operation of automobiles, and certain other losses.

Nez Perce Tribe
Notes to Financial Statements
September 30, 2024

17) Legal Matters

The Tribe is involved in disputes arising in the normal course of business. In the opinion of management, the ultimate outcome of these issues will not have a materially adverse effect on the Tribe’s financial position as of September 30, 2024.

18) Prior-Period Restatement – Fund Reassignments

As of October 1, 2023, the Tribe has elected to update certain fund assignments for financial statement reporting purposes. The reassigned funds are better classified under the General Fund. This change is outlined below:

	General Fund	Grants and Contracts Funds
Fund balance at September 30, 2023, as previously reported	\$ 163,242,984	\$ 209,646
Reassigned funds balance	<u>(265,721)</u>	<u>265,721</u>
Fund balance, October 1, 2023, as restated	<u>\$ 162,977,263</u>	<u>\$ 475,367</u>

Supplementary Information

Nez Perce Tribe

Schedule of Expenditures of Federal Awards

For the Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity or Other Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
USFS RECREATION TRAILS	10.U01	21-PA-11011700-034	\$ 22,290
USFS Lick Creek Fire Riparian Fence	10.U01	23-PA-11061400-005	127,896
Subtotal ALN#10.U01			<u>150,186</u>
Plant and Animal Disease, Pest Control, and Animal Care	10.025	AP23PPQFO000C102	176,200
Regional Food System Partnerships	10.177	T23-21	146,700
Agriculture and Food Research Initiative (AFRI)	10.310	20216702033419	20,459
Child and Adult Care Food Program	10.558	4823	91,595
COVID 19 - Food Distribution Program on Indian Reservations	10.567	71D430NZ3	285,807
Food Distribution Program on Indian Reservations	10.567	71D430NZ3	1,057,908
Subtotal ALN#10.567			<u>1,343,715</u>
<i>Passed through State of Idaho</i>			
SNAP Partnership Grant	10.577	HC775-700	65,376
Good Neighbor Authority	10.691	22-GN-11011700-036	7,642
Wildfire Crisis Strategy Landscapes	10.724	24-GN-11011700-023	62,323
Rural Econnectivity Pilot Program	10.752	13916519	62,250
Soil and Water Conservation	10.902	NR230211XXXXC005	18,844
Total U.S. Department of Agriculture			<u>2,145,290</u>
U.S. Department of Commerce			
Tribal Broadband Connectivity Program	11.029	NT23TBC0290104	500,000
Economic Development Support for Planning Organizations	11.302	ED215SEA3020025	42,536
Columbia River Fisheries Development Program	11.436	NA24NMF436C0002-T1-01	147,105
Pacific Coast Salmon Recovery Pacific Salmon Treaty Program	11.438	NA24NMF438G0022-T1-01	697,485
Total U.S. Department of Commerce			<u>1,387,126</u>
U.S. Department of Defense			
ACOE: WPKK-TCP Site Monitoring	12.U02	W9127N20P0173	1,430
ACOE: Walla Walla Palus Canyon	12.U02	W912EF20D0003	9,788
ACOE: Technical Support/Site Visits	12.U02	W912EF20D0003	17,367
ACOE: WPKK John Day TCP Inventory	12.U02	W9127N1Q0064	705
ACOE: WPKK Technical Service	12.U02	W9127N21P0077	1,987
ACOE: HPRCIT/TCP	12.U02	W9127N22P0118	40,885
ACOE: John Day Pool	12.U02	W9127N22P0134	7,871
ACOE: Palus-Story Map/Data Entry	12.U02	W912EF22F0026	36,785
ACOE: Coyote's Three Sons Mitigation	12.U02	W9127N22P0162	18,154
ACOE: Dworshak Site	12.U02	W912EF23F0014	25,260
ACOE: High Priority Survey	12.U02	W912EF23F0014	10,784
ACOE: Timiimap Workshop/Site Visits	12.U02	W912EF23F0014	6,216
ACOE: Lower Monumental	12.U02	W912EF23F0014	4,209
ACOE: PKC Group Site	12.U02	W912EF23F0014	4,316
ACOE: FCRPS Tech Services	12.U02	W9127N22P0166	5,462
ACOE: Dworshak Historic Properties Management Plan	12.U02	W912EF20D0003	23,914
ACOE: Wawaawii Study	12.U02	W912EF20D0003	48,456
ACOE: Miller Island/Wildcat Canyon	12.U02	W9127N23P0071	39,194
ACOE: Basalt Rock Formations	12.U02	W9127N23P0066	58,672
ACOE: Dworshak Site Monitoring	12.U02	W912EF20D0003	30,474
ACOE: Dworshak High Priority Survey	12.U02	W912EF20D0003	10,896
ACOE: Timiimap Workshop & Site Visits	12.U02	W912EF20D0003	1,265
ACOE: PKC Site Monitoring	12.U02	W912EF20D0003	9,382
ACOE: PKC Group Site Visit	12.U02	W912EF20D0003	6,907
ACOE: NPT Oral History	12.U02	W9127N24P0057	576
ACOE: FCRPS/PKC Fall Workshop	12.U02	W912EF24F0012	509
ACOE: Dworshak Site Monitoring	12.U02	W912EF19Q0121	3,531
ACOE: WW-Clearwater River-Lower Granite	12.U02	W912EF20F0136	583
ACOE: PKC Working Group	12.U02	W912EF-15-D-0008 T07	583
Total U.S. Department of Defense			<u>426,161</u>

Nez Perce Tribe
Schedule of Expenditures of Federal Awards – continued
For the Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity or Other Identifying Number	Federal Expenditures
U.S. Department of Interior			
Indian Self-Determination Contract Support	15.024	BIA 638 Single Line Agreement	\$ 1,692,273
Services to Indian Children, Elderly, and Families	15.025	BIA 638 Single Line Agreement	1,027,508
Tribal Courts	15.029	BIA 638 Single Line Agreement	311,507
COVID 19 - Tribal Courts	15.029	BIA 638 Single Line Agreement	105,925
Subtotal ALN#15.029			<u>417,432</u>
COVID 19 - Indian Law Enforcement	15.030	A20AV00806	21,013
Indian Law Enforcement	15.030	A24AV00158	3,243,705
Subtotal ALN#15.03			<u>3,264,718</u>
Road Maintenance Indian Roads	15.033	A19AV00073	62,791
Agriculture on Indian Lands	15.034	BIA 638 Single Line Agreement	333,604
Forestry on Indian Lands	15.035	BIA 638 Single Line Agreement	4,810,462
Indian Rights Protection	15.036	BIA 638 Single Line Agreement	1,332,992
Water Resources on Indian Lands	15.037	BIA 638 Single Line Agreement	334,481
Endangered Species on Indian Lands	15.051	BIA 638 Single Line Agreement	33,024
Litigation Support for Indian Rights	15.052	GTP05T18212	24,000
Indian Education Higher Education Grant	15.114	BIA 638 Single Line Agreement	256,554
Indian Education Assistance to Schools	15.130	BIA 638 Single Line Agreement	3,116
Tribal Climate Resilience	15.156	A20AP00101	294,106
BLM Fuels Management and Community Fire Assistance Program Activities	15.228	CTP05T18226	2,063,697
Indian Tribal Water Resources Development, Management, and Protection	15.519	R23AP00163	160,424
Fish and Wildlife Management Assistance	15.608	F24AC00539-00	2,410,704
Tribal Wildlife Grants	15.639	F23AP00336-01	103,045
USFWS Bull Trout	15.657	F23AP00336-01	36,669
Lower Snake River Compensation Plan	15.661	F23AC00184-1	1,701,279
Cooperative Landscape Conservation	15.669	BIA 638 Single Line Agreement	10,198
Historic Preservation Fund Grants-in-Aid	15.904	P23AF00956-00	131,037
Total U.S. Department of Interior			<u>20,504,114</u>
U.S. Department of Justice			
COVID 19 - Tribal Sexual Assault Services Program	16.024	15JOVW-20-GG-00023-SASP	11,197
Special Domestic Violence Criminal Jurisdiction Implementation	16.025	2020-SD-AX-0002	106,896
COVID 19 - Coronavirus Emergency Supplemental Funding Program	16.034	330CE20NPT	11,458
Enhanced Training and Services to End Violence and Abuse of Women Later in Life	16.528	2018-EW-AX-K011	151
Crime Victim Assistance	16.575	VC3923	40,160
Children's Justice Act Partnerships for Indian Communities	16.583	2020-V6-GX-0007	61,903
Violence Against Women Discretionary Grants for Indian Tribal Governments	16.587	2020-TW-AX-0021	217,519
Tribal Justice Assistance	16.596	15PBJA-22-GG-02004-TRIB	185,136
Tribal Justice Systems	16.608	15PBJA-21-GG-03850 TRIB	113,912
Public Safety Partnership and Community Policing Grants	16.710	2020HHWX0016	224,929
Tribal Youth Program	16.731	15JDP-22-GG-03079-TRIB	106,787
Support for Adam Walsh Act Implementation Grant Program	16.750	2019-AW-BX-0019	167,575
Comprehensive Opioid, Stimulant, and Other Substances Use Program	16.838	15PBJA-21-GG-04540-COAP	91,637
VOCA Tribal Victim Services Set-Aside Program	16.841	2020-VO-GX-0110	744,611
Total U.S. Department of Justice			<u>2,083,871</u>

Nez Perce Tribe
Schedule of Expenditures of Federal Awards – continued
For the Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity or Other Identifying Number	Federal Expenditures
U.S. Department of Labor			
Youthbuild	17.274	24A60YB000138-01-00	\$ 5,718
Total U.S. Department of Labor			<u>5,718</u>
U.S. Department of Transportation			
COVID 19 - Airport Improvement Program, Covid-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106	Nez Perce	1,772
Highway Planning and Construction	20.205	A22AV01130	546,780
Federal Lands Access Program	20.224	690567224	6,598
Formula Grants for Rural Areas and Tribal Transit Program	20.509	ID-2024-014-00	729,585
COVID 19 - Formula Grants for Rural Areas and Tribal Transit Program Subtotal ALN#20.509	20.509	C208AT	<u>139,584</u>
			<u>869,169</u>
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	693JK31940059HMEP	<u>8,966</u>
Total U.S. Department of Transportation			<u>1,433,285</u>
U.S. Department of Treasury			
COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-3630	4,721,385
COVID 19 - Coronavirus Capital Projects Fund	21.029	CPFFN0427	99,447
COVID 19 - Local Assistance and Tribal Consistency Fund	21.032		<u>1,181,580</u>
Total U.S. Department of Treasury			<u>6,002,412</u>
U.S. Equal Employment Opportunity Commission			
Employment Discrimination Title VII of the Civil Rights Act of 1964	30.001	45310024C0008	<u>32,000</u>
Total U.S. Equal Employment Opportunity Commission			<u>32,000</u>
U.S. Federal Communications Commission			
Affordable Connectivity Outreach Grant Program	32.011	ACOGP2340002	<u>4,403</u>
Total U.S. Federal Communications Commission			<u>4,403</u>
U.S. Institute of Museum and Library Services			
Native American/Native Hawaiian Museum Services Program	45.308	ARPNA-250919-OMLS-22	4,704
Native American and Native Hawaiian Library Services	45.311	NAE-254969-OLS-23	<u>44,258</u>
Total U.S. Institute of Museum and Library Services			<u>48,962</u>
U.S. National Science Foundation			
Stem Education (Formerly Education and Human Resources)	47.076	2117322	<u>173,566</u>
Total U.S. National Science Foundation			<u>173,566</u>
U.S. Environmental Protection Agency			
COVID 19 - Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	OP-02J13701-0	17,753
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	5A-023J31901	<u>664</u>
Subtotal ALN#66.034			<u>18,417</u>
Climate Pollution Reduction Grants	66.046	5D-02J45501-1	16,000
Performance Partnership Grants	66.605	BG-97065607	1,138,494
Environmental Information Exchange Network Grant Program and Related Assistance	66.608	84069601	37,850
Hazardous Waste Management State Program Support	66.801	D01J62801	932
Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	66.802	V-97002503-01	33,912
Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	66.804	L-02J57001-0	3,828
State and Tribal Response Program Grants	66.817	RP-96046314	208,534
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	BF-02J01501	250,813
Geographic Programs - Columbia River Basin Restoration (CRBR) Program	66.962	44-02J21001-0	<u>484,029</u>
Total U.S. Environmental Protection Agency			<u>2,192,809</u>

Nez Perce Tribe
Schedule of Expenditures of Federal Awards – continued
For the Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity or Other Identifying Number	Federal Expenditures
U.S. Department of Energy			
BPA PLCI Snake Larval Lamprey Collab	81.U01	74017 RELEASE 89	\$ 55,430
BPA LOSTINE POLEY ALLEN	81.U01	74017 RELEASE 107	165,236
BPA NPTH O&M	81.U01	84044 REL9	763,889
BPA Harvest Monitoring	81.U01	84044 REL11	95,010
BPA Lostine Supplemental O&M	81.U01	84044 REL6	53,634
BPA JCAPE O&M	81.U01	84044 REL2	163,964
BPA JCAPE M&E	81.U01	84044 REL3	262,675
BPA IMNAHA R STEELHEAD	81.U01	84044 REL7	229,718
BPA Snake Basin Steelhead	81.U01	84044 REL8	420,481
BPA Lostine Supplemental M&E	81.U01	84044 REL5	107,051
BPA NPTH M&E	81.U01	84044 REL4	623,335
BPA RED RIVER	81.U01	84044 REL12	336,375
BPA LOLO CREEK	81.U01	84044 REL13	329,667
BPA LOWER SOUTH FORK CLEARWATER	81.U01	84044 REL15	454,908
BPA P&R LOCHSA RIVER	81.U01	84044 REL17	601,218
BPA CROOKED/AMERICAN	81.U01	84044 REL 10	267,312
BPA CLEARWATER FOCUS	81.U01	84044 REL 16	87,925
BPA HABITAT RESTORATION RM&E	81.U01	84044 REL 18	106,924
BPA TROUT PONDS	81.U01	84044 REL 21	116,210
BPA COORDINATION	81.U01	84044 REL 19	77,531
BPA E FORK OF S FORK SALMON	81.U01	84044 REL 20	468,892
BPA LAPWAI CREEK	81.U01	84044 REL 24	325,955
BPA P&R SE WA/NE OR	81.U01	84044 REL 22	344,910
CRITFC Pacific Lamprey FY23	81.U01	T23-10	87,558
CRITFC Kelt Conditioning FY23	81.U01	T23-14	441,314
CRITFC Inter-Tribal Data	81.U01	T23-17	49,400
BPA CHESNIMNUS CREEK	81.U01	84044 RELEASE 25	31,775
BPA NPT RDC MAINTENANCE	81.U01	84044 RELEASE 38	109,556
BPA NPTH O&M FY24	81.U01	84044 RELEASE 31	1,467,138
BPA NP Harvest FY24	81.U01	84044 RELEASE 28	265,258
BPA Lostine O&M FY24	81.U01	84044 RELEASE 37	458,264
BPA JCAPE O&M FY24	81.U01	84044 RELEASE 32	355,255
BPA JCAPE M&E	81.U01	84044 RELEASE 34	764,484
BPA Imnaha R Steelhead FY24	81.U01	84044 RELEASE 29	622,240
BPA B-Run Steelhead FY24	81.U01	84044 RELEASE 35	824,532
BPA Lostine M&E FY24	81.U01	84044 RELEASE 30	335,335
BPA NPTH M&E FY24	81.U01	84044 RELEASE 33	1,285,669
BPA NE Oregon FY24	81.U01	84044 RELEASE 48	268,352
BPA RED RIVER	81.U01	84044 RELEASE 39	387,081
BPA LOLO CREEK	81.U01	84044 RELEASE 40	261,522
BPA LSF CLEARWATER	81.U01	84044 RELEASE 42	256,388
BPA P&R UPPER LOCHSA	81.U01	84044 RELEASE 43	293,510
BPA CROOKED/AMERICAN	81.U01	84044 RELEASE 41	526,743
BPA CLEARWATER FOCUS	81.U01	84044 RELEASE 44	51,025
BPA NPT COORDINATION	81.U01	84044 RELEASE 45	2,614
BPA HABITAT REST. RM&E	81.U01	84044 RELEASE 46	161,168
CRITFC PCSR Plan Snake River	81.U01	T24-052	40,392
BPA Lostine River	81.U01	84044 RELEASE 26	532,192
BPA E FORK OF S FORK SALMON	81.U01	84044 RELEASE 47	475,232
BPA NP TROUT PONDS	81.U01	84044 RELEASE 49	60,227
BPA P&R SE WA/NE OR	81.U01	84044 RELEASE 36	184,801
BPA LAPWAI CREEK	81.U01	84044 RELEASE 50	130,761
CRITFC - Pacific Lamprey '24	81.U01	T24-04	25,772
CRITFC - Kelt Steelhead '24	81.U01	T23-14	136,899
Subtotal ALN#81.U01			<u>17,350,707</u>
BPA: FCRPS-PKC-WPKK	81.U03	89046	6,512
BPA: NPT Traditional Cultural Property Study	81.U03	IAA#90627	41,185
BPA: Participation/Elder Grant	81.U03	00084044-01	3,049
BPA: NP Cultural Tribal Education Grant	81.U03	92442	225
BPA: FY24 NPT Participation Elder's Grant	81.U03	93417	2,525
Subtotal ALN#81.U03			<u>53,496</u>
BPA NE Oregon Wildlife Mitigation	81.U76	84044 REL14	125,506
Environmental Monitoring/Cleanup, Cultural, and Resource Mgmt	81.214	DE-EM0005204	1,963,131
Total U.S. Department of Energy			<u>19,492,840</u>

Nez Perce Tribe
Schedule of Expenditures of Federal Awards – continued
For the Year Ended September 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity or Other Identifying Number	Federal Expenditures
U.S. Department of Education			
NPT: Career Technical Education FY23	84.101A	V101A210041-22	\$ 6,451
NP Vocational Rehabilitation FY24	84.250M	H250M190034-22	464,096
Dept of Ed: STEP: Idaho Consortium	84.415A	5415A230002	<u>230,692</u>
Total U.S. Department of Education			<u>701,239</u>
U.S. Department of Health and Human Services			
Special Programs for the Aging, Title VI, Part A, Grants to Indian Tribes, Part B, Grants to Native Hawaiians	93.047	2302IDOATA-00	275,258
Nutrition Services Incentive Program (Aging Cluster)	93.053	2302IDOANT-00	60,078
National Family Caregiver Support, Title VI, Part C, Grants to Indian Tribes and Native Hawaiians	93.054	2302IDOATC-00	94,203
Public Health Emergency Preparedness	93.069	HC3293	40,596
Injury Prevention and Control Research and State and Community Based Programs	93.136		55,000
Tribal Self-Governance Program (Tribal Self-Governance and Determination Cluster)	93.210	64G010065	11,963,908
Special Diabetes Program for Indians Diabetes Prevention and Treatment Projects	93.237	H1D4IHS0217	265,508
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79SM088772-01	535,116
Immunization Cooperative Agreement	93.268		24,762
National and State Tobacco Control Program	93.387		14,141
Good Health and Wellness in Indian Country	93.479	5 NU58DP006731-04-00	150,000
Family Violence Prevention and Services/Culturally Specific Domestic Violence and Sexual Violence Services	93.496	90EV0557-02-23	72,540
Low Income Household Water Assistance Program	93.499	21PCIDLWC6	34,143
Marylee Allen Promoting Safe and Stable Families Program	93.556	23PCIDFPSS	52,623
Temporary Assistance for Needy Families	93.558	23PCIDTANF	737,411
Child Support Services	93.563	KPG0003TCSS-01-00	704,592
Low-Income Home Energy Assistance	93.568	24PCIDLEA	191,226
<i>CCDF Cluster</i>			
COVID 19 - Child Care and Development Block Grant	93.575	21PCIDCDC6	2,473
Child Care and Development Block Grant	93.575	22PCIDCCDD	<u>498,508</u>
Subtotal ALN#93.575			<u>500,981</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	22PCIDCCDF	<u>148,374</u>
Total CCDF Cluster			<u>649,355</u>
Improving the Capability of Indian Tribal Governments to Regulate Environmental Quality	93.581	90NR0330-01-00	178,400
Community-Based Child Abuse Prevention Grants	93.590	KC5259	10,022
Head Start Cluster	93.600	90C1010088-03	2,797,964
Stephanie Tubbs Jones Child Welfare Services Program	93.645	23PCIDCWSS	17,485
Social Services Block Grant	93.667	KC297800	70,968
A Comprehensive Approach to Good Health and Wellness in Indian County – financed solely by Prevention and Public Health	93.762	5NU58DP007203-02	108,461
Opioid STR	93.788	1H79T1083706-01	138,983
Demonstration Projects for Indian Health	93.933	H1H8IHS0004D	<u>200,298</u>
Total U.S. Department of Health and Human Services			<u>19,443,041</u>
U.S. Department of Homeland Security			
Emergency Management Performance Grants	97.042	23EMPG202	4,600
Homeland Security Grant Program	97.067	23SHSP105	<u>6,265</u>
Total U.S. Department of Homeland Security			<u>10,865</u>
<i>477 Cluster</i>			
477 Cluster 2024-2026	477 Plan		<u>589,962</u>
Total Expenditures of Federal Awards			<u>\$ 76,677,664</u>

Nez Perce Tribe
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the Nez Perce Tribe (the “Tribe”) under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

2) Assistance Listing Numbers

The program titles and assistance listing numbers were obtained from the federal or pass-through grantor. When no assistance listing number had been assigned to a program, the federal identifier was applied and followed by a “U” and chronological two digit numbers to represent unidentified assistance listing number.

3) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified 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.

4) Public Law 102-477 Programs (477 Cluster)

The Tribe administers an approved 477 program with a plan year spanning 2022-2024. The plan’s expenditures are comprised of the following program:

- Indian Employment Assistance – ALN 15.108

5) Indirect Cost Rate

Nez Perce Tribe has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Nez Perce Tribe
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

6) Subrecipients

During the year ended September 30, 2024, the Tribe disbursed no federal funds to subrecipients.

7) Loans

The Tribe is also a recipient of federally funded loans, as listed below. These loans contain no significant continuing compliance requirements other than maintenance of debt service payments.

	Loan Principal Balance
Loans to the Nez Perce Tribe by the U.S. Department of Agriculture (USDA)	
Note payable to USDA Rural Development, annual payments of \$21,819 on April 16, including interest of 5.25% per annum, maturity date April 2033; secured by an assignment of trust funds and income.	\$ 151,319
Note payable to USDA Rural Development, annual payments of \$112,180, including interest of 3.75%, maturity date December 2041; secured by sewer system fee income.	1,449,285
Total federal loans to the Nez Perce Tribe	\$ 1,600,604

Single Audit Section

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

To the Honorable Members of the Tribal Executive Committee
of the Nez Perce Tribe:

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Nez Perce Tribe (the “Tribe”) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Tribe’s basic financial statements, and have issued our report thereon dated June 12, 2025. Our report includes a reference to other auditors who audited the financial statements of Nez Perce Tribe Gaming Enterprises and Nez Perce Tribal Non-Gaming Enterprises, as described in our report on the Tribe’s basic financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Nez Perce Tribe Gaming Enterprises and Nez Perce Tribal Non-Gaming Enterprises were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tribe’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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tribe’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tribe’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 Tribe’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. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tribe'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*.

The Tribe's Response to the Finding

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

Purpose of this Report

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

REDW_{LLC}
Phoenix, Arizona
June 12, 2025

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

To the Honorable Members of the Tribal Executive Committee
of the Nez Perce Tribe:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Nez Perce Tribe's (the "Tribe") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Tribe's major federal programs for the year ended September 30, 2024. The Tribe'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, the Tribe 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 September 30, 2024.

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 the Tribe 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 the Tribe's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Tribe'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Tribe'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.

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-002, 2024-003, 2024-004, and 2024-005. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-003 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002, 2024-004, and 2024-005 to be significant deficiencies.

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

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

The 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.

REDW LLC
Phoenix, Arizona
June 12, 2025

Nez Perce Tribe
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	None reported

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	Yes
Significant deficiencies identified?	Yes
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.567	Food Distribution Program on Indian Reservations
15.035	Forestry on Indian Lands
15.608	Fish and Wildlife Management Assistance
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.600	Head Start Cluster
81.U01	Bonneville Power Administration – Fish Hatcheries

Dollar threshold used to distinguish between type A and type B programs:	\$2,300,330
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Auditee qualified as low-risk auditee?	No
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Nez Perce Tribe
Schedule of Findings and Questioned Costs – continued
For the Year Ended September 30, 2024

Section II – Financial Statement Findings

2024-001 – Trial Balance Maintenance, Timely Reconciliation, and Financial Recordkeeping - Material Weakness in Internal Controls Over Financial Reporting

Criteria: A good system of internal controls over financial close and reporting requires the monthly maintenance of the general ledger, and preparation of external and internal financial statements. Significant accounts in the trial balance should be reconciled on a regular basis and adjustments should be made frequently to ensure the accuracy of financial reporting.

Condition: Several adjusting journal entries identified by both management and auditors were required after the accounting records were closed at year-end. Significant adjustments to investment balances, lease related balances, accrued liabilities, inter-entity balances, and grant related balances.

Cause: Financial statements and general ledger balances were not sufficiently reviewed throughout the fiscal year. While, some account balances were being reconciled, many significant balances were not adjusted for accuracy before prior to the trial balance being provided to the auditors. Auditors were made aware that several accounts would need adjustments during the audit.

Effect: Without timely account reconciliations and proper review, information provided to management and the tribal executive committee may not be accurate. Additionally, the likelihood of errors will occur and go undetected is greatly increased. Finally, when accounts have not been reviewed and reconciled during the year, the Finance Department becomes overburdened with year-end account analyses, potentially resulting in a time-consuming and costly process.

Auditor's Recommendations: Policies and procedures should be implemented to ensure that timely account reconciliations are conducted periodically throughout the fiscal year, and that financial statement records are adjusted to reflect the reconciled balances. The financial close process should include a management review of significant account balances before the audit commences.

Management's Response: Management acknowledges that general ledger balances were not reviewed and reconciled throughout the fiscal year. This deficiency will be addressed by management reviewing the general ledger throughout the year. Staff will be required to reconcile the accounts each month. Schedule training when necessary.

Nez Perce Tribe
Schedule of Findings and Questioned Costs – continued
For the Year Ended September 30, 2024

Section III – Federal Award Findings

2024-002 – Schedule of Expenditures of Federal Awards Maintenance – Significant Deficiency in Internal Controls Over Compliance and Noncompliance

Federal program information:

Funding agency:	All Major Programs
Title:	All Major Programs
ALN number:	All Major Programs
Award year and number:	All Major Programs

Criteria: Section 2 CFR 200.510 (b) of the OMB Uniform Grant Guidance states that the auditee must prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee’s financial statements which must include the total federal awards expended as determined in accordance with 2 CFR § 200.502, Basis for determining federal awards expended.

Condition: During our review of the SEFA, we identified discrepancies between the SEFA and the underlying records.

Cause: The Tribe did not allocate sufficient resources to reconcile the SEFA’s expenditures, grant receivables, and deferred revenue to the underlying records prior to the audit commencement.

Effect: Significant adjustments were required during the audit to accurately report federal expenditures, along with grant receivable and unearned revenue balances.

Questioned Costs: None

Auditor’s Recommendation: We recommend that the Tribe establish and implement a comprehensive review of the SEFA, during which management reconcile the SEFA’s beginning grant receivable/unearned revenue balances, federal expenditures, federal receipts, and ending grant receivable/unearned revenue balances to the underlying records.

Management Response: Management acknowledges that there were deficiencies in the SEFA provided to the auditors. This deficiency will be addressed through SEFA training. Staff will conduct quarterly reconciliations of expenditures and receivables and will identify the source funding. Management will review the SEFA spreadsheet throughout the year to ensure accuracy.

Nez Perce Tribe
Schedule of Findings and Questioned Costs – continued
For the Year Ended September 30, 2024

Section III – Federal Award Findings – continued

2024-003: Procurement and Suspension and Debarment – Material Weakness in Internal Control Over Compliance and Noncompliance

Federal program information:

Funding agency:	Department of the Interior
Title:	Forestry on Indian Lands
CFDA number:	15.035
Award year and number:	10/01/2017-09/30/2024, A15AC0092
Funding agency:	Department of Treasury
Title:	Coronavirus State and Local Fiscal Recovery Funds
CFDA number:	21.027
Award year and number:	10/1/2019-12/31/2025, N/A

Criteria: In accordance with 2 CFR 200.319(a), it is required that “all procurement transactions under the Federal award must be conducted in a manner that provides full and open competition and is consistent with the standards of this section and § 200.320.” To ensure objective contractor performance and eliminate unfair competitive advantage, 200.319(b) specifies that “contractors that develop or draft specifications, requirements, statements of work, or invitations for bids must be excluded from competing on those procurements.”

In alignment with 200.319(d)(2), it is required that procurement for projects “incorporate a clear and accurate description of the technical requirements for the property, equipment, or service being procured.”

According to 200.320(b)(2)(iv), recipients or subrecipients can use competitive proposal methods for qualifications-based procurement of architectural/engineering (A/E) professional services whereby “the offeror’s qualifications are evaluated, and the most qualified offeror is selected, subject to negotiation of fair and reasonable compensation.” It is important to note that this approach, where “price is not used as a selection factor,” is restricted to the procurement of A/E services and cannot be applied to acquire other services from A/E firms that may be capable of performing the proposed effort.

Finally, 200.324(a) states that “the recipient or subrecipient must perform a cost or price analysis for every procurement transaction, including contract modifications, in excess of the simplified acquisition threshold.” According to the guidance, “the recipient or subrecipient must make independent estimates before receiving bids or proposals.”

Nez Perce Tribe
Schedule of Findings and Questioned Costs – continued
For the Year Ended September 30, 2024

Section III – Federal Award Findings – continued

2024-003: Procurement and Suspension and Debarment – Material Weakness in Internal Control Over Compliance and Noncompliance – continued

Condition: Auditor reviewed 2 contracts under ALN 15.035 and 3 contracts under ALN 21.027, the following deficiencies were identified over procurement:

- No documentation or inadequate was provided for 3 of the 3 contracts under ALN 15.035 to demonstrate that full and open competition was maintained in the procurement process, such as advertisement for bid, quotes obtained, evaluation of price, or basis for selecting the contractor.
- For 1 of 2 contracts tested under ALN 21.027, proposal was missing clear technical description that adequately described the project being procured.
- For 2 of 2 contracts tested under ALN 21.027, the following were identified: vendors contracted with handled both the development of specifications and project construction for the project procured, and a qualifications-based election process was used without considering price for non-architectural and engineering services.
- For 5 of 5 contracts tested under both ALN 15.035 and ALN 21.027, no documentation was provided indicating proper verification that the contractor was not debarred, suspended, or otherwise excluded. A subsequent check was conducted on each contractor, indicating the contractor was not debarred, suspended or excluded.
- For 2 of 2 contracts tested under ALN 21.027 and for 1 of 3 contracts tested under ALN 15.035, no cost or price analysis was performed in connection with all procurement actions exceeding the simplified acquisition threshold required by the Uniform Guidance.

Questioned Costs: None

Cause: Although the Tribe maintains sufficient procurement policy, program personnel did not follow the procurement policy. The inconsistency in the adherence to the procurement policy is attributed to the lack of monitoring. The failure to adhere to established procurement policy increases the risk of noncompliance with federal regulations.

Auditor's Recommendations: We recommend that the Tribe designate a responsible individual or team as the Centralized Procurement Officer(s) to oversee and coordinate all procurement activities across the organization. This role will ensure that all purchases comply with the established procurement policies and procedures. In addition, we recommend providing a comprehensive training to program directors on the new centralized procurement process. Ensure all employees understand the importance of adhering to procurement policies and the benefits of a streamlined, centralized approach. Regular communication and updates on any changes in procurement procedures should be maintained.

Nez Perce Tribe
Schedule of Findings and Questioned Costs – continued
For the Year Ended September 30, 2024

Section III – Federal Award Findings – continued

2024-003: Procurement and Suspension and Debarment – Material Weakness in Internal Control Over Compliance and Noncompliance – continued

Management's Response: Management acknowledges that there are deficiencies with procurement. Procurement training will be scheduled and required for program management, to ensure they understand the procurement policies and requirements. The Purchasing Specialist and accountants will also receive comprehensive procurement training and develop a centralized process.

Nez Perce Tribe
Schedule of Findings and Questioned Costs – continued
For the Year Ended September 30, 2024

Section III – Federal Award Findings – continued

2024-004: Equipment and Real Property Management - Significant Deficiency in Internal Control Over Compliance and Noncompliance

Federal program information:

Funding agency:	United States Department of Agriculture
Title:	Food Distribution Program in Indian Reservations
CFDA number:	10.567
Award year and number:	10/01/2023-09/30/2025, 71D430NZ3
Funding agency:	Department of the Interior
Title:	Forestry on Indian Lands
CFDA number:	15.035
Award year and number:	10/01/2017-09/30/2024, A15AC0092
Funding agency:	Department of Energy
Title:	Bonneville Power Administration – Fish Hatcheries
CFDA number:	81.U01
Award year and number:	01/01/2023-12/31/2024, 84044 Release 9 – 84044 Release 50
Funding agency:	Department of Health and Human Services
Title:	Head Start
CFDA number:	93.600
Award year and number:	07/01/2023-06/30/2024, 90CI010088-03 and 90CI010088-04

Criteria: In accordance with 2 CFR 200. 313(d) of the Uniform Guidance, for nonfederal entities a physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated. Adequate maintenance procedures must be developed to keep the property in good condition. If the nonfederal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Condition: The Tribe was not able to provide documentation supporting the physical inventory of all equipment was performed in last two fiscal years and that the results of the counts were reconciled to the accounting records.

Questioned Costs: None

Nez Perce Tribe
Schedule of Findings and Questioned Costs – continued
For the Year Ended September 30, 2024

Section III – Federal Award Findings – continued

2024-004: Equipment and Real Property Management - Significant Deficiency in Internal Control Over Compliance and Noncompliance – continued

Cause: The Tribe recently experienced significant turnover of key personnel in the accounting department and there was not a sound transition thereafter. A physical inventory of all equipment was not performed.

Effect: A physical inventory of all equipment was not performed. As a result, the Department was not in compliance with equipment requirements for the above listed major programs during fiscal year 2024.

Auditor's Recommendations: We recommend that the Tribe develop and implement policies and procedures requiring that a physical inventory of property and equipment be performed at least once every two fiscal years, and that the results be reconciled to the Tribe's property and equipment records. To streamline the physical inventory count process, we recommend that the Tribe requires from each department to conduct its own physical inventory count over its property and equipment on an annual basis and forward the updated property and equipment listings to the finance department.

Management's Response: Management acknowledges that a physical inventory of all equipment has not been performed. This deficiency is being addressed and the equipment inventory is being scheduled and will be completed by September 30, 2025. Each year thereafter, an inventory schedule will be established to ensure an inventory is completed at least once every two fiscal years and is reconciled to the property and equipment records.

Nez Perce Tribe
Schedule of Findings and Questioned Costs – continued
For the Year Ended September 30, 2024

Section III – Federal Award Findings – continued

2024-005: Eligibility – Significant Deficiency in Internal Control Over Compliance and Noncompliance

Federal program information:

Funding agency:	United States Department of Agriculture
Title:	Food Distribution Program on Indian Reservation
CFDA number:	10.567
Award year and number:	10/01/2023-09/30/2025, 71D430NZ3

Criteria: In accordance with the program’s plan of operation and 7 CFR Part 253, agencies are required to determine whether beneficiaries meet specified income and service area requirements. According to 7 CFR 253.7(a)(6)(iv), casefiles must be documented to support a determination of eligibility or denial. Documentation shall be in sufficient detail to permit a reviewer to determine the reasonableness and accuracy of the determination.

Condition: For the 16 beneficiaries reviewed, the following deficiencies were identified:

- For 7 of the 16 beneficiaries, we noted a discrepancy between the income amount in the income eligibility worksheet and the income amount per the underlying income supporting documents.
- For 1 of the 16 beneficiaries, the beneficiary was incorrectly deemed eligible. However, a subsequent review by the program indicated that the beneficiary was ineligible.

Questioned Costs: None

Cause: In Fiscal Year 2024, the program underwent a change in the systems used to track beneficiaries. During the system change, some income level documentation was not transitioned to the new system. After the system change, the Tribe did not update all income eligibility worksheets. Additionally, human errors in manually calculating beneficiaries’ monthly income resulted in the approval of benefits for individuals who were not eligible to receive them.

Effect: The program’s transition to new system led to the loss of income data for individuals who were approved for benefits before the new system was implemented.

Auditor’s Recommendations: Documentation for eligibility determinations should be maintained for review. If possible, manual calculations should be automated to reduce the risk of human error in eligibility determination.

Management’s Response: Management acknowledges that some eligibility documents were in dispute due the transfer of client files from one software system to another software system, but documentation was maintained in the file folder for each client in question. The program has addressed the issue and will ensure documentation is transferred from paper copy to the software program for future review.



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FINANCE DEPARTMENT

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**Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2024**

Prior Audit Findings	Current Status
2023-001 – Implementation of the Governmental Accounting Standards Board Statement No. 87, <i>Leases</i>	Corrected
2023-002 – Reporting (Assistance Listing Numbers 81.U03 and 81.045)	Corrected
2023-003 – Schedule of Expenditures of Federal Awards (Assistance Listing Number 81.U45)	Not Corrected (See Finding 2024-002)



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FINANCE DEPARTMENT

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**Corrective Action Plan
For the Year Ended September 30, 2024**

Audit Finding	Corrective Action Plan	Persons Responsible	Estimated Completion Date
2024-001 Trial Balance Maintenance, Timely Reconciliation and Financial Recordkeeping	Management will review the general ledger throughout the year. Staff will be required to reconcile the accounts each month. Schedule training when necessary.	Elizabeth Bohnee - Finance Manager	September 30, 2025
2024-002 Schedule of Expenditures of Federal Awards Maintenance	Schedule SEFA training. Staff will conduct quarterly reconciliations of expenditures and receivables and will identify the source funding. Management will review the SEFA spreadsheet throughout the year to ensure accuracy.	Elizabeth Bohnee - Finance Manager	September 30, 2025
2024-003 Procurement and Suspension and Debarment	Procurement training will be scheduled and required for program management, to ensure they understand the procurement policies and requirements. The Purchasing Specialist and accountants will also receive comprehensive procurement training and develop a centralized process.	Elizabeth Bohnee - Finance Manager	September 30, 2025
2024-004 Equipment and Real Property Management	Inventory is being scheduled and will be completed by September 30, 2025. Each year thereafter, an inventory schedule will be established to ensure an inventory is completed at least once every two fiscal years and is reconciled to the property and equipment records.	Elizabeth Bohnee - Finance Manager	September 30, 2025
2024-005 Eligibility	The program has addressed the issue and will ensure documentation is transferred from paper copy to the software program for future review.	Elizabeth Bohnee - Finance Manager	September 30, 2025