

OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

Audit of IAF's Financial Statements for Fiscal Years 2023 and 2022

Audit Report 0-IAF-24-004-C

November 14, 2023



Financial Audits Division



OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: November 14, 2023

TO: Inter-American Foundation, President and Chief Executive Officer, Sara Aviel

FROM: Assistant Inspector General, Office of Audits, Inspections, and Evaluations,
Toayoa D. Aldridge /s/

SUBJECT: Audit of IAF's Financial Statements for Fiscal Years 2023 and 2022 (0-IAF-24-004-C)

Enclosed is the final audit report on the Inter-American Foundation's (IAF's) financial statements for fiscal years 2023 and 2022.¹ The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of Williams, Adley & Company-DC LLP (Williams Adley) to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards and Office of Management and Budget Bulletin No. 24-01, Audit Requirements for Federal Financial Statements.

In carrying out its oversight responsibilities, OIG reviewed the audit firm's report and related audit documentation and inquired of its representatives. Our review, which was different from an audit performed in accordance with generally accepted government auditing standards, was not intended to enable us to express, and we do not express, an opinion on the IAF's financial statements. The audit firm is responsible for the enclosed auditor's report and the conclusions expressed in it. We found no instances in which Williams Adley did not comply, in all material respects, with applicable standards.

The audit objectives were to: (1) express an opinion on whether the financial statements as of September 30, 2023 and 2022, were presented fairly, in all material respects; (2) evaluate IAF's internal controls over financial reporting; and (3) determine whether IAF complied with applicable laws, regulations, contracts, and grant agreements. To answer the audit objectives,

¹Pursuant to the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 5274, which amends the Inspector General Act of 1978, when USAID OIG contracts with an audit firm to perform the work, USAID OIG provides non-governmental organizations and/or business entities specifically identified in the accompanying report, if any, 30 days from the date of report publication to review the final report and submit a written response to USAID OIG that clarifies or provides additional context for each instance within the report in which the non-governmental organization and/or business entity is specifically identified. Any comments received to this effect are posted for public viewing on <https://usaid.oig.gov> with USAID OIG's final transmittal. Please direct related inquiries to oignotice_ndaa5274@usaid.gov.

the audit firm assessed risk, considered internal controls, and designed audit procedures relevant to IAF's fair presentation of its 2023 and 2022 financial statements.

The audit firm concluded that IAF's financial statements for the fiscal years ending September 30, 2023 and 2022, are presented fairly, in all material respects, and in accordance with accounting principles generally accepted in the United States of America. The audit firm did not identify any material weaknesses in internal controls over financial reporting. In addition, the audit firm found no reportable noncompliance for fiscal year 2023 with provisions of applicable laws, regulations, contracts, and grant agreements.

In finalizing the report, the audit firm acknowledged IAF's informal response to the report.

We appreciate the assistance provided to our staff and the audit firm's employees during the engagement.



Independent Auditor's Report

Ms. Sara Aviel
President and Chief Executive Officer
Inter-American Foundation

Ms. Toayoa Aldridge
Assistant Inspector General, Office of Audits, Inspections, and Evaluations
Office of the Inspector General
U.S. Agency for International Development

In our audits of the fiscal years 2023 and 2022 financial statements of Inter-American Foundation (IAF), we found:

- IAF's financial statements as of and for the fiscal years ended September 30, 2023, and 2022, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed¹; and
- no reportable noncompliance for fiscal year 2023 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes an emphasis-of-matter paragraph related to an Anti-deficiency Act violation and other information included with the financial statements²; (2) our report on internal control over financial reporting; and (3) our report on compliance with laws, regulations, contracts, and grant agreements.

¹ A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the IAF's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

² Other information consists of information included with the financial statements, other than the financial statement and the auditor's report.

WILLIAMS, ADLEY & COMPANY-DC, LLP

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Report on the Financial Statements

Opinion

In accordance with *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Bulletin No. 24-01, *Audit Requirements for Federal Financial Statements*, we have audited IAF's financial statements. IAF's financial statements comprise the statement of financial position as of September 30, 2023, and 2022; the related statements of operations and changes in net position, and cash flows for the fiscal years then ended; and the related notes to the financial statements. In our opinion, IAF's financial statements present fairly, in all material respects, IAF's financial position as of September 30, 2023, and 2022, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the U.S. and the U.S. generally accepted government auditing standards. 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 IAF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 15 to the financial statements, in 2021, IAF began a management review of a potential Anti-deficiency Act (ADA) violation(s) related to oscillating negative cash balance for an interagency reimbursable account. In 2022, IAF General Counsel confirmed the ADA violation and in FY 2023 the violation was reported in accordance with the requirements of the ADA. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

IAF management is responsible for:

- the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles;
- preparing and presenting other information included in IAF's Annual Management Report and ensuring the consistency of that information with the audited financial statements; and
- designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness 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, including omissions, are considered to be material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted 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 in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to our audit of the financial statements 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 IAF's internal control over financial reporting. 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.
- Perform other procedures we consider necessary in the circumstances.

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 financial statement audit.

Other Information

IAF's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements. Management is responsible for the other information included in IAF's Annual Management Report. The other information comprises the Executive Summary and Statement of Assurance, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control over Financial Reporting

In connection with our audits of IAF's financial statements, we considered IAF's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies³ or to express an opinion on the effectiveness of IAF's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to IAF's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards and Office of Management and Budget audit guidance⁴.

Responsibilities of Management for Internal Control over Financial Reporting

IAF management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of IAF's financial statements as of and for the fiscal year ended September 30, 2023, in accordance with U.S. generally accepted government auditing standards, we considered IAF's internal control relevant to the financial statement 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 IAF's internal control over financial reporting. Accordingly, we do not express an opinion on IAF's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

IAF's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that:

- transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and
- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

³ A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

⁴ Office of Management and Budget (OMB) Bulletin No. 24-01, *Audit Requirements for Federal Financial Statements*, issued on October 19, 2023. According to the guidance, for those controls that have been suitably designed and implemented, the auditor should perform sufficient tests of such controls to conclude on whether the controls are operating effectively (i.e., sufficient tests of controls to support a low level of assessed control risk). OMB audit guidance does not require the auditor to express an opinion on the effectiveness of internal control.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of IAF's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of IAF's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audits of IAF's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2023 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to IAF. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

IAF management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to IAF.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to IAF that have a direct effect on the determination of material amounts and disclosures in IAF's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to IAF. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in

considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Williams, Arley & Company DC, LLP

Washington, District of Columbia
November 6, 2023

Financial Statements

INTER-AMERICAN FOUNDATION STATEMENT OF FINANCIAL POSITION AS OF SEPTEMBER 30, 2023 AND 2022 (In Dollars)		
	2023	2022
Assets:		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 2)	\$ 60,095,383	\$ 60,689,684
Total Intragovernmental Assets	60,095,383	60,689,684
Other than Intragovernmental Assets:		
Accounts Receivable, Net (Note 3)	38	26
Advances and Prepayments (Note 4)	6,224,485	4,700,015
Investments, Net (Note 5)	1,684,161	1,409,840
Total Other than Intragovernmental Assets	7,908,684	6,109,881
Total Assets	\$ 68,004,067	\$ 66,799,565
Liabilities: (Note 6)		
Intragovernmental Liabilities:		
Accounts Payable	\$ 284,475	\$ 309,015
Other Liabilities (Note 7)	116,227	102,010
Total Intragovernmental Liabilities	400,702	411,025
Other than Intragovernmental Liabilities:		
Accounts Payable	738,776	1,213,260
Federal Employee and Veteran Benefits Payable	516,668	409,936
Other Liabilities (Note 7)	378,766	317,137
Total Other than Intragovernmental Liabilities	1,634,210	1,940,333
Total Liabilities	\$ 2,034,912	\$ 2,351,358
Net Position:		
Unexpended Appropriations - Funds from Other than Dedicated Collections	\$ 53,518,645	\$ 51,400,103
Total Unexpended Appropriations (Consolidated)	53,518,645	51,400,103
Cumulative Results of Operations - Funds from Dedicated Collections (Note 9)	11,252,916	11,907,026
Cumulative Results of Operations - Funds from Other than Dedicated Collections	1,197,594	1,141,078
Total Cumulative Results of Operations (Consolidated)	12,450,510	13,048,104
Total Net Position	65,969,155	64,448,207
Total Liabilities and Net Position	\$ 68,004,067	\$ 66,799,565

IAF FY 2023 AMR

INTER-AMERICAN FOUNDATION		
STATEMENT OF OPERATIONS AND CHANGES IN NET POSITION		
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022		
(In Dollars)		
	2023	2022
Revenue		
Appropriations Used	\$ 44,259,262	\$ 41,082,919
Other Revenue	457,334	555,410
Imputed Financing (Note 10)	563,650	380,490
Donations (Notes 9 and 12)	502,191	812,455
Total Revenue	\$ 45,782,437	\$ 42,831,274
Expenses		
Grant Program	\$ 46,380,031	\$ 42,511,865
Total Expenses	\$ 46,380,031	\$ 42,511,865
Net Revenue (Loss)	\$ (597,594)	\$ 319,409
Net Position		
Net of Revenue (Loss)	\$ (597,594)	\$ 319,409
Increase/(Decrease) in Unexpended Appropriations, Net	2,118,542	788,458
Increase/(Decrease) in Net Position, Net	1,520,948	1,107,867
Net Position, Beginning Balance	64,448,207	63,340,340
Net Position, Ending Balance	\$ 65,969,155	\$ 64,448,207

IAF FY 2023 AMR

INTER-AMERICAN FOUNDATION		
STATEMENT OF CASH FLOW		
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022		
(In Dollars)		
	2023	2022
Cash Flows From Operating Activities:		
Net Revenue (Loss)	\$ (597,594)	\$ 319,409
Adjustments Affecting Cash Flow:		
Decrease/(Increase) in Advances and Prepayments	\$ (1,524,469)	\$ (158,317)
Unrealized (Gain)/Loss in Investments	(258,521)	3,866
Decrease/(Increase) in Accounts Receivable	(12)	151
Increase/(Decrease) in Accounts Payable and Other Liabilities	(316,447)	581,575
Total Adjustments	(2,099,449)	427,275
Net Cash Provided/(Used) by Operating Activities	\$ (2,697,043)	\$ 746,684
Cash Flows From Investing Activities:		
Purchase of Shares	\$ (15,800)	\$ -
Net Cash Provided/(Used) by Investing Activities	\$ (15,800)	\$ -
Cash Flows From Financing Activities:		
Appropriations Received, Net	\$ 2,740,738	\$ 917,081
Rescissions and Cancellations	(622,196)	(128,623)
Net Cash Provided by Financing Activities	\$ 2,118,542	\$ 788,458
Net Increase/(Decrease) in Fund Balance with Treasury	\$ (594,301)	\$ 1,535,142
Fund Balance with Treasury, Beginning	60,689,684	59,154,542
Fund Balance with Treasury, Ending (Note 2)	\$ 60,095,383	\$ 60,689,684

Notes to the Financial Statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Inter-American Foundation (IAF), a U.S. government corporation, was established pursuant to part IV of the Foreign Assistance Act of 1969 (22 U.S.C. 290f (a)). The IAF provides grants and other technical assistance to support the initiatives of non-governmental and community-based organizations in Latin America and the Caribbean to advance prosperity, security, inclusion, and democracy.

The management of the IAF is vested in a nine-person Board of Directors appointed by the President of the United States. Six Board members are drawn from the private sector and three from officers or employees of agencies of the U.S. Government concerned with Inter-American activities. The Board appoints the IAF's president who acts as the Chief Executive Officer.

Congress enacts appropriations to permit the IAF to incur obligations for authorized purposes. In fiscal years 2023 and 2022, the IAF was accountable for the Social Progress Trust Fund (SPTF), Gift Fund, and General Fund appropriations. The IAF recognizes budgetary resources as assets when cash (funds held by the U.S. Treasury) is made available through the Department of Treasury General Fund.

B. Basis of Presentation

The financial statements have been prepared to report the financial position and results of operations of the IAF. The Statements of Financial Position presents the assets, liabilities, and net position of the agency. The Statements of Operations and Changes in Net Position presents the agency's operating results and displays the changes in the agency's equity accounts. The Statements of Cash Flows presents how changes in the agency's financial position and results affected its cash (Fund Balance with Treasury) and presents analysis of operating and financing activities.

The statements are a requirement of the Chief Financial Officers Act of 1990, the Government Management Reform Act of 1994, and the Accountability of Tax Dollars Act of 2002. They have been prepared from, and are fully supported by, the books and records of the IAF in accordance with the hierarchy of accounting principles generally accepted in the United States of America, standards issued by the Federal Accounting Standards Advisory Board (FASAB), Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, as amended, and the IAF accounting policies which are summarized in this note. These statements are different from financial management reports, which are also prepared pursuant to OMB directives that are used to monitor and control the IAF's use of budgetary resources. The financial statements and associated notes are presented on a comparative basis. Unless specified otherwise, all amounts are presented in dollars.

C. Basis of Accounting

Transactions are recorded on both an accrual accounting basis and a budgetary basis. Under the accrual method, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates control and monitoring of federal funds as well as the compliance with legal requirements on the use of those funds.

D. Revenues & Other Financing Sources

The IAF's development program is funded by appropriation from the budget of the United States, agreement with the Inter-American Development Bank (IDB) covering the SPTF, and donations from the private sector. No-year appropriations remain available until expended, while multi-year appropriations are available for the period prescribed by the applicable statute. Appropriations are used, within statutory limits, for programmatic, operating, and capital expenditures for essential personal property. Appropriations are recognized as a financing source when expended. Appropriations expended for capitalized property and equipment are recognized as an expense when an asset is consumed in operations.

Congress enacts annual, multi-year, and no-year appropriations to be used, within statutory limits, for operating, capital, and grant expenditures. Additional amounts are obtained from service fees and reimbursements from other government entities and the public.

The IAF recognizes as an imputed financing source the amount of accrued pension and post-retirement benefit expenses for current employees paid on its behalf by the Office of Personnel Management (OPM).

E. Fund Balance with Treasury and Funds from Dedicated Collections

FBWT is an asset of a reporting entity and a liability of the General Fund. Fund Balance with Treasury is the aggregate amount of the IAF's appropriated funds, gift funds, and SPTF collections that are available to pay agency liabilities and finance authorized purchases, commitments and SPTF grants.

The IAF does not maintain bank accounts of its own, has no disbursing authority, and does not maintain cash held outside of Treasury. When the reporting entity seeks to use FBWT to liquidate budgetary obligations, Treasury will finance the disbursements in the same way it finances all other disbursements, which is to borrow from the public if there is a budget deficit (and to use current receipts if there is a budget surplus). Treasury disburses funds for IAF on demand. Foreign currency payments are made by Treasury and are reported by the IAF in the U.S. dollar equivalents.

Funds from dedicated collections generally are financed by specifically identified revenues, often supplemented by other financing sources and provided to the government by non-federal sources, which remain available over time.

F. Budgetary Terms

The purpose of federal budgetary accounting is to control, monitor, and report on funds made available to federal agencies by law and help ensure compliance with the law. We use the following commonly used budgetary terms in this report:

- **Appropriation:** A provision of law authorizing the expenditure of funds for a given purpose, usually provides budget authority.
- **Budgetary resources:** Amounts available to incur obligations each year. Budgetary resources consist of new budget authority for the current budget fiscal year and unobligated balances of budget authority provided in previous years.
- **Obligations:** A binding agreement that will result in outlays (cash disbursements), immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.
- **Offsetting collections:** Payments to the agency that, by law, are credited directly to expenditure accounts. We are authorized to use these funds for the purposes of carrying out our mission without further action from congress. These funds become our primary form of budget authority each year. Offsetting collections and unobligated balances from prior years account for our total budgetary resources.
- **Offsetting receipts:** Payments to the agency that are credited to offsetting General Fund receipt accounts and are not funds that we are authorized to use in our operations. We transfer these funds to Treasury at the end of each fiscal year.
- **Outlays:** A payment to liquidate an obligation, also known as a cash disbursement. Outlays are a measure of government spending.

G. Investments

Investments is the aggregate value of IAF's investments valued at the time of the Financial Statements.

The IAF authorizing statute gives the IAF the authority to invest in securities in organizations that advance the IAF's mission and to retain dividends and proceeds from such securities to be used for other authorized IAF obligations 22 U.S.C. §290f(c) and (e). They are classified as investment securities and carried at cost, including adjustments in valuation in accordance with the type of security, and terms of the investment.

H. Accounts Receivable

Accounts receivable may consist of amounts owed to the IAF by other Federal agencies and the general public. Amounts due from Federal agencies are considered fully collectible. Accounts receivable from the public include reimbursements from employees. An allowance for uncollectible accounts receivable from the public is established when, based upon a review of outstanding accounts and the failure of all collection efforts, management determines that collection is unlikely to occur considering the debtor's ability to pay.

I. Property, Equipment, and Software

Property, equipment, and software represent furniture, fixtures, equipment, and information technology hardware and software which are recorded at original acquisition cost and are depreciated or amortized using the straight-line method over their estimated useful lives. Major alterations and renovations are capitalized, while maintenance and repair costs are expensed as incurred. The IAF's capitalization threshold is \$50,000 for individual purchases and \$500,000 for bulk purchases. Property, equipment, and software acquisitions that do not meet the capitalization criteria are expensed upon receipt. Applicable standard governmental guidelines regulate the disposal and convertibility of agency property, equipment, and software. The useful life classifications for capitalized assets are as follows:

<u>Description</u>	<u>Useful Life (years)</u>
Office Furniture	10
ADP Equipment	3
Office Equipment	10
IT Software	3

J. Advances and Prepaid Charges

Advance payments are generally prohibited by law. There are some exceptions, such as reimbursable agreements, subscriptions and payments to contractors and employees. Payments made in advance of the receipt of goods and services are recorded as advances or prepaid charges at the time of prepayment and recognized as expenses when the related goods and services are received.

K. Liabilities

Liabilities represent the amount of funds likely to be paid by the IAF as a result of transactions or events that have already occurred. The IAF reports its liabilities under two categories, Intragovernmental and Other than Intragovernmental. Intragovernmental liabilities represent funds owed to another government agency. Liabilities other than intragovernmental represent funds owed to any entity or person that is not a federal agency, including private sector firms and federal employees. Each of these categories may include liabilities that are covered by budgetary resources and liabilities not covered by budgetary resources.

Liabilities covered by budgetary resources are liabilities funded by a current appropriation or other funding source. These consist of accounts payable and accrued payroll and benefits. Accounts payable represent amounts owed to another entity for goods ordered and received and for services rendered except for employees. Accrued payroll and benefits represent payroll costs earned by employees during the fiscal year which are not paid until the next fiscal year.

Liabilities not covered by budgetary resources are liabilities that are not funded by any current appropriation or other funding source. These liabilities consist of accrued annual leave, deferred rent, and actuarial FECA.

L. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. The balance in the accrued leave account is adjusted to reflect current pay rates. Liabilities associated with other types of vested leave, including compensatory, restored leave, and sick leave in certain circumstances, are accrued at year-end, based on latest pay rates and unused hours of leave. Funding will be obtained from future financing sources to the extent that current or prior year appropriations are not available to fund annual and other types of vested leave earned but not taken. Nonvested leave is expensed when used. Any liability for sick leave that is accrued but not taken by a Civil Service Retirement System (CSRS)-covered employee is transferred to OPM upon the retirement of that individual. Credit is given for sick leave balances in the computation of annuities upon the retirement of Federal Employees Retirement System (FERS)-covered employees.

M. Accrued and Actuarial Workers' Compensation

The Federal Employees' Compensation Act (FECA) administered by the U.S. Department of Labor (DOL) addresses all claims brought by the IAF employees for on-the-job injuries. The DOL bills each agency annually as its claims are paid, but payment of these bills is deferred for two years to allow for funding through the budget process. Similarly, employees that the IAF terminates without cause may receive unemployment compensation benefits under the unemployment insurance program also administered by the DOL, which bills each agency quarterly for paid claims. Future appropriations will be used for the reimbursement to DOL. The liability consists of (1) the net present value of estimated future payments calculated by the DOL and (2) the unreimbursed cost paid by DOL for compensation to recipients under the FECA.

N. Retirement Plans

The IAF employees participate in either the CSRS or the FERS. The employees who participate in CSRS are beneficiaries of the IAF matching contribution, equal to seven percent of pay, distributed to their annuity account in the Civil Service Retirement and Disability Fund.

Prior to December 31, 1983, all employees were covered under the CSRS program. From January 1, 1984 through December 31, 1986, employees had the option of remaining under CSRS or joining FERS and Social Security. Employees hired as of January 1, 1987 are automatically covered by the FERS program. Both CSRS and FERS employees may participate in the federal Thrift Savings Plan (TSP). FERS employees receive an automatic agency

contribution equal to one percent of pay and the IAF matches any employee contribution up to an additional four percent of pay. For FERS participants, the IAF also contributes the employer's matching share of Social Security.

FERS employees and certain CSRS reinstatement employees are eligible to participate in the Social Security program after retirement. In these instances, the IAF remits the employer's share of the required contribution.

The IAF recognizes the imputed cost of pension and other retirement benefits during the employees' active years of service. OPM actuaries determine pension cost factors by calculating the value of pension benefits expected to be paid in the future and communicate these factors to the IAF for current period expense reporting. OPM also provides information regarding the full cost of health and life insurance benefits. The IAF recognized the offsetting revenue as imputed financing sources to the extent these expenses will be paid by OPM.

The IAF does not report on its financial statements information pertaining to the retirement plans covering its employees. Reporting amounts such as plan assets, accumulated plan benefits, and related unfunded liabilities, if any, is the responsibility of the OPM as the administrator.

O. Other Post-Employment Benefits

The IAF employees eligible to participate in the Federal Employees' Health Benefits Plan (FEHBP) and the Federal Employees' Group Life Insurance Program (FEGSIP) may continue to participate in these programs after their retirement. The OPM has provided the IAF with certain cost factors that estimate the true cost of providing the post-retirement benefit to current employees. The IAF recognizes a current cost for these and Other Retirement Benefits (ORB) at the time the employee's services are rendered. The ORB expense is financed by OPM, and offset by the IAF through the recognition of an imputed financing source.

P. Grant Disbursements and Administrative Expenses

Grant disbursements include payments in advance of performance under contractual obligations. Evidence of performance is determined by review of periodic expenditure reports. IAF expenditures for grants over \$50,000 are independently verified using the IAF's audit guidelines. The IAF's administrative expenses are funded solely by appropriated funds.

In compliance with alternative methodology allowed by FASAB Technical Release 12 Accrual Estimates for Grant Programs, the estimates are calculated by multiplying the grants disbursed during the quarter by a calculated percentage based on month of disbursement. The estimates for the three-month period are then aggregated to be accounted for as grant advances in the Statement of Financial Position with a lookback analysis performed biannually (every other year).

Q. Use of Estimates

The preparation of the accompanying financial statements in accordance with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

R. Reclassification

Certain fiscal year 2022 balances have been reclassified, retitled, or combined with other financial statement line items for consistency with the current year presentation.

S. Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

NOTE 2. FUND BALANCE WITH TREASURY

Fund Balance with Treasury account balances as of September 30, 2023 and 2022 were as follows:

	2023	2022
Status of Fund Balance with Treasury:		
Unobligated Balance		
Available	\$ 2,270,478	\$ 5,251,413
Unavailable	7,133,958	7,030,579
Obligated Balance Not Yet Disbursed	50,690,947	48,407,692
Total	\$ 60,095,383	\$ 60,689,684

No discrepancies exist between the Fund Balance reflected on the Statement of Financial Position and the balances in the Treasury accounts.

The available unobligated fund balances represent the current-period amount available for obligation or commitment. At the start of the next fiscal year, the expired portion of this amount will become part of the unavailable balance as described in the following paragraph.

The unavailable unobligated fund balances represent the amount of appropriations for which the period of availability for obligation has expired. These balances are available for upward adjustments of obligations incurred only during the period for which the appropriation was available for obligation or for paying claims attributable to the appropriations.

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The obligated balance not yet disbursed includes accounts payable, accrued expenses, and undelivered orders that have reduced unexpended appropriations but have not yet decreased the fund balance on hand.

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable balances as of September 30, 2023 and 2022, were as follows:

	2023	2022
Other than Intergovernmental		
Accounts Receivable	\$ 38	\$ 26
Total Other than Intragovernmental Accounts Receivable	\$ 38	\$ 26
Total Accounts Receivable	\$ 38	\$ 26

The accounts receivable is primarily made up of employee receivables in 2023 and 2022.

Historical experience has indicated that the majority of the receivables are collectible. There are no material uncollectible accounts as of September 30, 2023 and 2022.

NOTE 4. ADVANCES TO GRANTEES

Advances to grantees account balances as of September 30, 2023 and 2022, were as follows:

	2023	2022
Other than Intergovernmental		
Grant Advances	\$ 6,185,913	\$ 4,700,015
Other Advances	38,572	-
Total Other than Intragovernmental Advances and Prepayments	\$ 6,224,485	\$ 4,700,015
Total Advances and Prepayments	\$ 6,224,485	\$ 4,700,015

NOTE 5. INVESTMENTS, NET

Investments balances as of September 30, 2023 consist of the following:

	Cost/ Acquisition Value	Interest Receivable	Net Investments	Unrealized Gain/(Loss)	Market/ Fair Value
Other Securities and Investments:					
Original Shares	\$ 1,564,791	\$ -	\$ 1,564,791	\$ 86,273	\$ 1,651,064
Reinvested Dividends	29,867	-	29,867	3,230	33,097
Total Other Securities and Investments	\$ 1,594,658	\$ -	\$ 1,594,658	\$ 89,503	\$ 1,684,161

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Investments balances as of September 30, 2022 consist of the following:

	Cost/ Acquisition Value	Interest Receivable	Net Investments	Unrealized Gain/(Loss)	Market/ Fair Value
Other Securities and Investments:					
Original Shares	\$ 1,564,791	\$ -	\$ 1,564,791	\$ (168,865)	\$ 1,395,926
Reinvested Dividends	14,066	-	14,066	(152)	13,914
Total Other Securities and Investments	\$ 1,578,857	\$ -	\$ 1,578,857	\$ (169,017)	\$ 1,409,840

IAF's investments are recorded as of the date of acquisition to be adjusted annually on the last calendar day of the Fiscal Year as of a function of the number of shares and value per share, and if held in a foreign currency, the current USD (\$) exchange rate as determined by the Bureau of the Fiscal Service's most current Treasury Reporting Rates of Exchange. Should the number of shares change at any point during the year, at the end of that quarter, the agency will re-calculate and record the new investment value.

IAF's current investment portfolio consists of non-Federal securities owned by IAF and held in a foreign currency consistent with the terms of the subscription agreement with the investee.

NOTE 6. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

The liabilities for the IAF as of September 30, 2023 and 2022 include liabilities not covered by budgetary resources. Congressional action is needed before budgetary resources can be provided. Although future appropriations to fund these liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund these liabilities.

	2023	2022
Unfunded Leave	\$ 499,358	\$ 393,808
Total Liabilities Not Covered by Budgetary Resources	\$ 499,358	\$ 393,808
Total Liabilities Covered by Budgetary Resources	1,535,554	1,957,550
Total Liabilities	\$ 2,034,912	\$ 2,351,358

Unfunded leave represents a liability for earned leave and is reduced when leave is taken. The balance in the accrued annual leave account is reviewed quarterly and adjusted as needed to accurately reflect the liability at current pay rates and leave balances. Accrued annual leave is paid from future funding sources and, accordingly, is reflected as a liability not covered by budgetary resources. Sick and other leave is expensed as taken.

IAF also records an actuarial liability for future workers compensation claims based on the liability to benefits paid (LBP) ratio provided by DOL and multiplied by the average of benefits paid over three years.

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NOTE 7. OTHER LIABILITIES

Other liabilities account balances as of September 30, 2023 were as follows:

	Current	Non Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 27,644	\$ -	\$ 27,644
Employer Contributions and Payroll Taxes Payable	88,583	-	88,583
Total Intragovernmental	\$ 116,227	\$ -	\$ 116,227
Other than Intragovernmental			
Accrued Funded Payroll and Leave	\$ 378,766	\$ -	\$ 378,766
Total Other than Intragovernmental	\$ 378,766	\$ -	\$ 378,766
Total Other Liabilities	\$ 494,993	\$ -	\$ 494,993

Other liabilities account balances as of September 30, 2022 were as follows:

	Current	Non Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable (without reciprocals)	\$ 24,625	\$ -	\$ 24,625
Employer Contributions and Payroll Taxes Payable	77,385	-	77,385
Total Intragovernmental	\$ 102,010	\$ -	\$ 102,010
Other than Intragovernmental			
Accrued Funded Payroll and Leave	\$ 317,137	\$ -	\$ 317,137
Total Other than Intragovernmental	\$ 317,137	\$ -	\$ 317,137
Total Other Liabilities	\$ 419,147	\$ -	\$ 419,147

NOTE 8. LEASES

Operating Leases

The IAF occupies office space under a Non-Federal lease agreement that is accounted for as a non-cancelable operating lease. The total operating lease expenses as of September 30, 2023 and 2022 were \$726,081 and \$705,187 respectively. The lease term began on April 23, 2022, continuing for a period of two years and expires on April 22, 2024. Lease payments are increased annually based on the adjustments for operating cost and real estate tax escalations. Below is a schedule of future payments for the term of the lease.

Fiscal Year	Asset Category		Totals	
	Building	Federal	Non-Federal	
2024	411,157	-	411,157	
Total Future Lease Payments	\$ 411,157	\$ -	\$ 411,157	

The operating lease amount does not include estimated payments for leases with annual renewal options.

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NOTE 9. FUNDS FROM DEDICATED COLLECTIONS

The IAF has dedicated collections that fall into the following categories: Social Progress Trust Fund (SPTF) and Gift Fund. Both funds are used to finance part of the IAF's grant program and remain available until funds are exhausted.

Transactions are recorded on an accrual accounting basis and a budgetary basis. Under the accrual method, revenues are recognized when earned and expenses are recognized when liabilities are incurred, without regard to receipt or payment of cash. Budgetary accounting measures the appropriations and consumption of budget authority and other budgetary resources and facilitates compliance with legal constraints and controls over use of Federal funds.

Schedule of Dedicated Collections as of September 30, 2023:

	Social Progress Trust Fund		Gift Fund		Total Funds from Dedicated Collections (Consolidated)
Statement of Financial Position					
Intragovernmental					
Fund Balance with Treasury	\$	9,548,326	\$	1,397,049	\$ 10,945,375
Total Intragovernmental Assets	\$	9,548,326	\$	1,397,049	\$ 10,945,375
Other than Intragovernmental					
Advances and Prepayments		119,370		188,171	307,541
Total Other than Intragovernmental	\$	119,370	\$	188,171	\$ 307,541
Total Assets	\$	9,667,696	\$	1,585,220	\$ 11,252,916
Cumulative Results of Operations					
Total Liabilities and Net Position	\$	9,667,696	\$	1,585,220	\$ 11,252,916
Net Cost					
Gross Program Costs	\$	1,112,022	\$	44,279	\$ 1,156,301
Net Program Costs	\$	1,112,022	\$	44,279	\$ 1,156,301
Net Cost of Operations	\$	1,112,022	\$	44,279	\$ 1,156,301
Statement of Operations and Changes in Net Position					
Cumulative Results of Operations					
Beginning Balance	\$	10,779,718	\$	1,127,308	\$ 11,907,026
Financing Sources		-		502,191	502,191
Net Cost of Operations		(1,112,022)		(44,279)	(1,156,301)
Net Change in Cumulative Results of Operations		(1,112,022)		457,912	(654,110)
Cumulative Results of Operations: Ending	\$	9,667,696	\$	1,585,220	\$ 11,252,916
Net Position, End of Period	\$	9,667,696	\$	1,585,220	\$ 11,252,916

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Schedule of Dedicated Collections as of September 30, 2022:

	Social Progress Trust Fund		Gift Fund	Total Funds from Dedicated Collections (Consolidated)		
Statement of Financial Position						
Intragovernmental						
Fund Balance with Treasury	\$	10,646,660	\$	1,127,308	\$	11,773,968
Total Intragovernmental Assets	\$	10,646,660	\$	1,127,308	\$	11,773,968
Other than Intragovernmental						
Advances and Prepayments		133,058		-		133,058
Total Other than Intragovernmental	\$	133,058	\$	-	\$	133,058
Total Assets	\$	10,779,718	\$	1,127,308	\$	11,907,026
Cumulative Results of Operations						
Total Liabilities and Net Position	\$	10,779,718	\$	1,127,308	\$	11,907,026
Net Cost						
Gross Program Costs	\$	610,645	\$	174,169	\$	784,814
Net Program Costs	\$	610,645	\$	174,169	\$	784,814
Net Cost of Operations	\$	610,645	\$	174,169	\$	784,814
Statement of Operations and Changes in Net Position						
Cumulative Results of Operations						
Beginning Balance	\$	11,390,363	\$	489,022	\$	11,879,385
Financing Sources		-		812,455		812,455
Net Cost of Operations		(610,645)		(174,169)		(784,814)
Net Change in Cumulative Results of Operations		(610,645)		638,286		27,641
Cumulative Results of Operations: Ending	\$	10,779,718	\$	1,127,308	\$	11,907,026
Net Position, End of Period	\$	10,779,718	\$	1,127,308	\$	11,907,026

NOTE 10. INTER-ENTITY COSTS

IAF recognizes certain inter-entity costs for goods and services that are received from other federal entities at no cost or at a cost less than the full cost. Certain costs of the providing entity that are not fully reimbursed are recognized as imputed cost and are offset by imputed revenue. Such imputed costs and revenues relate to business-type activities (if applicable), employee benefits, and claims to be settled by the Treasury Judgement Fund. IAF recognizes as inter-entity costs the amount of accrued pension and post-retirement benefit expenses for current employees.

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The assets and liabilities associated with such benefits are the responsibility of the administering agency, OPM. For the periods ended September 30, 2023 and 2022, respectively, inter-entity costs were as follows:

	2023	2022
Office of Personnel Management	\$ 563,650	\$ 380,490
Total Imputed Financing Sources	\$ 563,650	\$ 380,490

NOTE 11. UNDELIVERED ORDERS AT THE END OF THE PERIOD

As of September 30, 2023, budgetary resources obligated for undelivered orders were as follows:

	Federal	Non-Federal	Total
Paid Undelivered Orders	\$ -	\$ 6,224,485	\$ 6,224,485
Unpaid Undelivered Orders	451,329	48,704,063	49,155,392
Total Undelivered Orders	\$ 451,329	\$ 54,928,548	\$ 55,379,877

As of September 30, 2022, budgetary resources obligated for undelivered orders were as follows:

	Federal	Non-Federal	Total
Paid Undelivered Orders	\$ -	\$ 4,700,015	\$ 4,700,015
Unpaid Undelivered Orders	278,146	46,355,097	46,633,243
Total Undelivered Orders	\$ 278,146	\$ 51,055,112	\$ 51,333,258

NOTE 12. FINANCING SOURCES – SPTF AND GIFT FUNDS

The Reconciliation of Net Cost and Budget Outlays Note reconciles the financial Net Cost of Operations with the Statement of Budgetary Resources. The IAF reports SPTF funds obtained from the International Development Bank (IDB) as offsetting collections earned.

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	2023	2022
SPTF Cumulative Results:		
SPTF Beginning Balance	\$ 10,779,718	\$ 11,390,363
Less: SPTF Funds Expended	(1,112,022)	(610,645)
SPTF Fund Carry Forward	\$ 9,667,696	\$ 10,779,718
Donations Cumulative Results:		
Donations Beginning Balance	\$ 1,127,308	\$ 489,022
Donations Received	502,191	812,455
Less: Donations Expended	(44,279)	(174,169)
Donations Carry Forward	\$ 1,585,220	\$ 1,127,308
Total SPTF and Donations	\$ 11,252,916	\$ 11,907,026

NOTE 13. EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE U.S. GOVERNMENT

The President's Budget that will include fiscal year 2023 actual budgetary execution information has not yet been published. The President's Budget is scheduled for publication in February 2024 and can be found at the OMB website: <http://www.whitehouse.gov/omb/>. The 2024 Budget of the United States Government, with the "Actual" column completed for 2022, has been reconciled to the Statement of Budgetary Resources and there were no material differences.

In Millions

	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 57	\$ 45	\$ 1	\$ 40
Unobligated Balance Not Available	(1)	-	-	-
Difference - Due to Rounding	-	-	-	1
Budget of the U.S. Government	\$ 56	\$ 45	\$ 1	\$ 41

NOTE 14. RECONCILIATION OF NET COST TO NET OUTLAYS

The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information.

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Reconciliation of Net Cost to Net Outlays as of September 30, 2023:

	Intragovernmental	Other than Intragovernmental	Total
Net Operating Cost (SNC)	\$ 4,081,414	\$ 41,841,283	\$ 45,922,697
Components of Net Cost Not Part of the Budgetary Outlays			
Increase/(Decrease) in Assets:			
Accounts Receivable, Net	-	12	12
Securities and Investments	-	274,321	274,321
Other Assets	-	1,524,470	1,524,470
(Increase)/Decrease in Liabilities:			
Accounts Payable	24,540	474,484	499,024
Federal Employee [and Veteran] Benefits Payable	-	(106,732)	(106,732)
Other Liabilities	(14,217)	(61,629)	(75,846)
Financing Sources:			
Imputed Cost	(563,650)	-	(563,650)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	\$ (553,327)	\$ 2,104,926	\$ 1,551,599
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Financing Sources:			
Donated Revenue	\$ -	\$ (502,191)	\$ (502,191)
Total Components of the Budget Outlays That Are Not Part of Net Operating Cost	\$ -	\$ (502,191)	\$ (502,191)
Misc Items			
Distributed Offsetting Receipts (SBR 4200)	\$ -	\$ (502,191)	\$ (502,191)
Appropriated Receipts for Trust/Special Funds	-	502,191	502,191
Total Other Reconciling Items	\$ -	\$ -	\$ -
Total Net Outlays (Calculated Total)	\$ 3,528,087	\$ 43,444,018	\$ 46,972,105
Budgetary Agency Outlays, Net (SBR 4210)			\$ 46,972,105

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Reconciliation of Net Cost to Net Outlays as of September 30, 2022:

	Intragovernmental	Other than Intragovernmental	Total
Net Operating Cost (SNC)	\$ 3,486,460	\$ 38,482,700	\$ 41,969,160
Components of Net Cost Not Part of the Budgetary Outlays			
Increase/(Decrease) in Assets:			
Accounts Receivable, Net	-	(151)	(151)
Securities and Investments	-	(3,866)	(3,866)
Other Assets	-	158,317	158,317
(Increase)/Decrease in Liabilities:			
Accounts Payable	(171,989)	(540,159)	(712,148)
Federal Employee [and Veteran] Benefits Payable	-	127,607	127,607
Other Liabilities	(8,032)	10,998	2,966
Financing Sources:			
Imputed Cost	(380,490)	-	(380,490)
Total Components of Net Operating Cost Not Part of the Budgetary Outlays	\$ (560,511)	\$ (247,254)	\$ (807,765)
Components of the Budget Outlays That Are Not Part of Net Operating Cost			
Financing Sources:			
Donated Revenue	\$ -	\$ (812,455)	\$ (812,455)
Total Components of the Budget Outlays That Are Not Part of Net Operating Cost	\$ -	\$ (812,455)	\$ (812,455)
Misc Items			
Distributed Offsetting Receipts (SBR 4200)	\$ -	\$ (812,455)	\$ (812,455)
Custodial/Non-Exchange Revenue	-	(12,705)	(12,705)
Appropriated Receipts for Trust/Special Funds	-	812,455	812,455
Total Other Reconciling Items	\$ -	\$ (12,705)	\$ (12,705)
Total Net Outlays (Calculated Total)	\$ 2,925,949	\$ 37,410,286	\$ 40,336,235
Budgetary Agency Outlays, Net (SBR 4210)			\$ 40,336,235
Budgetary Agency Outlays, Net			\$ 40,336,235

NOTE 15. NONCOMPLIANCE MATTER

In FY 2021, a management review within the IAF identified potential ADA violations related to an oscillating negative cash balance for an interagency reimbursable account from December 2020 to April 2021. The Trading Partner agreement did not allow for cash advances, and reimbursements were not processed prior to month's end. After being notified by Treasury in April 2021 of the negative account cash balance, IAF management worked with the Bureau of the Fiscal Service/ARC to implement new processes to remedy the situation. In FY 2022, IAF completed the investigation and determined that the instances were Anti-deficiency Act violations. In FY 2023, IAF has reported the violations to the appropriate parties.