



## **Ranchers Stewardship Alliance**

### **Financial Statements and Independent Auditors' Report**

**As of and For the Year Ended  
December 31, 2024**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Ranchers Stewardship Alliance  
Malta, Montana

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

#### ***Opinion***

We have audited the financial statements of Ranchers Stewardship Alliance ("RSA"), a not-for-profit organization, which comprise the statements of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of RSA as December 31, 2024, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RSA 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.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RSA's ability

to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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 RSA'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 RSA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purpose of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2025, on our consideration of RSA'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 RSA'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 RSA's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Linford Accounting, LLP".

Missoula, Montana  
July 9, 2025

**RANCHERS STEWARDSHIP ALLIANCE**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2024**

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ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 65,074
Cash and cash equivalents, restricted	24,603
Grants receivable	<u>59,259</u>
TOTAL CURRENT ASSETS	148,936

NONCURRENT ASSETS

Property and equipment, net	<u>79,506</u>
TOTAL NONCURRENT ASSETS	<u>79,506</u>
TOTAL ASSETS	<u><u>\$ 228,442</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 2,150
Accrued payroll liabilities	19,924
Notes payable	<u>35,821</u>
TOTAL CURRENT LIABILITIES	57,895

NET ASSETS

Without donor restrictions	145,944
With donor restrictions	<u>24,603</u>
TOTAL NET ASSETS	<u>170,547</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 228,442</u></u>

See accompanying notes to the financial statements and independent auditors' report.

**RANCHERS STEWARDSHIP ALLIANCE**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Grants and contributions	\$ 41,402	\$ 1,345,569	\$ 1,386,971
Sponsorships	7,300	-	7,300
Event Registration	17,873	-	17,873
Membership dues	5,038	-	5,038
Interest	475	-	475
Miscellaneous	134	-	134
	72,222	1,345,569	1,417,791
Net assets released from restriction	1,413,225	(1,413,225)	-
Total revenue and support	1,485,447	(67,656)	1,417,791
<b>EXPENSES</b>			
Program services	1,111,972	-	1,111,972
Management and general	216,861	-	216,861
Fundraising	67,359	-	67,359
Total expenses	1,396,192	-	1,396,192
<b>CHANGE IN NET ASSETS</b>	89,255	(67,656)	21,599
<b>NET ASSETS</b>			
Beginning of year	56,689	92,259	148,948
End of year	\$ 145,944	\$ 24,603	\$ 170,547

See accompanying notes to the financial statements and independent auditors' report.

**RANCHERS STEWARDSHIP ALLIANCE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2024**

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
EXPENSES				
Wages, taxes, and benefits	\$ 158,355	\$ 122,217	\$ 4,290	\$ 284,862
Program expense - contract services	436,324	-	-	436,324
Program expense - supplies	129,088	-	-	129,088
Program expense - other	295,765	58,021	-	353,786
Professional fees	425	1,525	61,750	63,700
Adversting	422	2,824	-	3,246
Office expenses	16,793	11,670	-	28,463
Occupancy	5,476	5,475	-	10,951
Travel and meetings	22,518	5,629	-	28,147
Depreciation	3,062	907	-	3,969
Insurance	863	3,450	-	4,313
Education	22,309	-	-	22,309
Interest	-	-	1,319	1,319
Miscellaneous	20,572	5,143	-	25,715
Total expenses	<u>\$ 1,111,972</u>	<u>\$ 216,861</u>	<u>\$ 67,359</u>	<u>\$ 1,396,192</u>

See accompanying notes to the financial statements and independent auditors' report.



**RANCHERS STEWARDSHIP ALLIANCE**  
**STATEMENT OF CASH FLOW**  
**Year Ended December 31, 2024**

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 21,599
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	3,969
Changes in operating assets and liabilities:	
Grants receivable	(43,248)
Accounts payable	1,860
Accrued payroll liabilities	<u>5,475</u>
Net cash from operating activities	(10,345)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property and equipment	<u>(72,497)</u>
Net cash from investing activities	(72,497)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issuance of notes payable	39,000
Payments on notes payable	<u>(3,179)</u>
Net cash from financing activities	35,821
Net change in cash and cash equivalents	(47,021)
<b>CASH AND CASH EQUIVALENTS</b>	
Beginning of year	<u>136,698</u>
End of year	<u><u>\$ 89,677</u></u>
<b>PRESENTED ON THE STATEMENT OF FINANCIAL POSITION AS:</b>	
Cash and cash equivalents	\$ 65,074
Cash and cash equivalents, restricted	<u>24,603</u>
Total cash and cash equivalents	<u><u>\$ 89,677</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>	
Cash paid for interest	<u><u>\$ 1,319</u></u>

See accompanying notes to the financial statements and independent auditors' report.

**RANCHERS STEWARDSHIP ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

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**NOTE 1. ORGANIZATION AND PURPOSE**

Ranchers Stewardship Alliance (“RSA”) is a nonprofit organization established in Malta, Montana to help multi-generational and beginning ranchers build collaborative, trusting relationships and community-based solutions as they steward healthy working landscapes and encourage vibrant rural communities. RSA provides funding and support to implement conservation related projects across private and public lands and provide educational opportunities for agricultural procedures and community members.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Basis of Accounting

RSA’s financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as codified by the Financial Accounting Standards Board (FASB).

B. Cash, Cash Equivalents, and Restricted Cash

For purposes of the statement of cash flows, RSA considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

From time to time, certain bank accounts that are subject to coverage by the Federal Deposit Insurance Corporation (FDIC) may exceed their insured limits. No bank accounts had amounts exceeding FDIC insurance limits at December 31, 2024. RSA has not experienced any losses and does not believe it is exposed to any significant credit risk.

RSA has donor restricted money held in a separate bank account that is restricted for conservation programs and are subject to donor or grantor-imposed restrictions.

RSA has a certificate of deposit at a local financial institution. The certificate has a maturity date of February 2025 with an interest rate of 4.3%. Subsequent to year end, the certificate matured on February 20, 2025, and was converted to cash in the general checking account. The balance of the certificate of deposit was included in cash and cash equivalents on the statement of financial position.

C. Grants Receivable

Grants receivable represents the balance of earned grant funds not yet received in cash. Grant receivables are stated at unpaid balances and interest is not charged. Allowance for credit losses on grants receivable was \$0 at December 31, 2024.

**RANCHERS STEWARDSHIP ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

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**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**D. Property and Equipment**

Property and equipment are stated at cost if purchased or at fair value on the date of donation. Assets costing \$5,000 or more and having a useful life of more than year are capitalized. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 15 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Repairs and maintenance costs are expenses as incurred and improvements that extend the life or capacity of the asset are capitalized.

**E. Compensated Absences**

Employees of RSA are entitled to paid time off depending on the lengths of employment and other factors. Employees are allowed to accumulate paid time off to a maximum of 160 hours. Accrued time off is included in accrued payroll liabilities on the statement of financial position.

**F. Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and activities that are not subject to donor or certain grantor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed or certain grantor-imposed restrictions. These restrictions include restrictions that expire by either the time restriction ending, or the purpose restriction being accomplished. Once restrictions are met, the restrictions are accounted for as net assets released from restriction and are reclassified to net assets without donor restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

**G. Revenue Recognition**

RSA recognizes revenue following guidance of ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) and guidance of ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (topic 958).

**RANCHERS STEWARDSHIP ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

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**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

G. Revenue Recognition, continued

Revenue streams following guidance of Topic 606 recognize revenue when evidence of a contract exists, the performance obligations have been identified and satisfied, the transaction price is determinable, and collection is reasonably assured. Grant revenue and contributions are recognized following guidance of Topic 958.

A significant portion of revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when RSA has incurred expenditures in compliance with specific contract or grant provisions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction(s) expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Membership dues, which are nonrefundable, are comprised of an exchange element based on the benefits received. Payments are required at the time of sale. Event registration revenue is recognized at the time of the event.

H. In-kind Contributions

Donated services are recognized as contributions at their estimated fair value on the date of donation if the services (a) create or enhance nonfinancial assets or (b) require specialized skills and are performed by people with those skills and would otherwise be purchased by RSA. There were no contributed nonfinancial services meeting the GAAP requirements for recording in the financial statements for the year ended December 31, 2024.

I. Advertising and Outreach

Advertising costs are expensed when first incurred, which totaled \$3,246 during the year ended December 31, 2024.

**RANCHERS STEWARDSHIP ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

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**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

J. Functional Expense Allocation

The costs of providing the various program and supporting activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and services benefited. RSA direct charges expenses whenever possible. Personnel costs are allocated based on employee time and all other expenses are allocated based on square footage of the facility utilized.

K. Income Taxes

RSA is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the increase in net assets is generally not subject to taxation. No provision for income tax has been recorded in these financial statements because RSA believes it had no income unrelated to its tax-exempt purpose in fiscal year 2024. RSA evaluates tax positions based on substantial support and consideration of the Internal Revenue Code and Regulations, Revenue Rulings, and Tax Court decisions, among other factors in concluding RSA had no uncertain tax positions for fiscal year 2024.

L. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and the reported amounts of revenue and expenses. Actual amounts could differ from those estimates.

M. Leases

At the inception of a contractual arrangement, RSA determines whether a contract contains a lease by assessing whether the contract conveys to RSA the right to control the use of an identified asset in exchange for consideration over a period of time. Leases are recognized in accordance with ASC Topic 842, Leases ("Topic 842").

RSA measures and records an operating lease liability equal to the present value of the future lease payments. Because most of RSA's leases do not provide an implicit rate, RSA's incremental borrowing rate is used in determining the present value of lease payments. The amount of the operating lease right-of-use asset consists of: (i) the amount of the initial measurement of the operating lease liability; (ii) any lease payments made at or before the commencement date, minus any lease incentives received; and (iii) any initial direct costs incurred. The present value calculation may account for an option to extend or terminate the lease when it is reasonably certain that RSA will exercise the option. Within the provisions of certain leases, there are escalations in payments over the base lease term, which have been reflected in lease expense on a straight-line basis for operating leases over the expected lease term.

**RANCHERS STEWARDSHIP ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

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**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

M. Leases, continued

RSA has elected not to apply the recognition requirements of Topic 842 to short-term leases (those with terms of 12 months or less) or leases with a total right of use value less than \$10,000 (capitalization threshold). Instead, for these types of leases, RSA recognizes rent expense in the statement of operations on a straight-line basis over the lease term. All of RSA's operating leases were short term as of December 31, 2024.

N. Subsequent Events

Management has evaluated subsequent events through the date of the auditors' audit report, which is the date the financial statements were available to be issued and have determined no events require disclosure.

**NOTE 3.      LIQUIDITY AND AVAILIBTY OF RESOURCES**

Financial assets available for general expenditures, without donor or other restrictions limiting their use within one year of the statement of financial position date, comprise of the following at December 31, 2024:

Unrestricted cash and cash equivalents	\$      65,074
Grants receivable	59,259
Total Financial Assets	<u>\$    124,333</u>

**NOTE 4.      PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31, 2024:

Vehicles	\$    72,497
Furniture and equipment	14,914
Accumulated depreciation	<u>(7,905)</u>
Net property and equipment	<u>\$    79,506</u>

Depreciation expense for the year ended December 31, 2024 totaled \$3,969.

**RANCHERS STEWARDSHIP ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

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**NOTE 5. FAIR VALUE MEASUREMENTS**

A framework for measuring fair value and defining fair value is provided by GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

GAAP also establishes a fair value hierarchy, which prioritizes the valuation of inputs into three broad levels, as described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included in Level 1 for which all significant inputs are observable, either directly, or indirectly.

Level 3 – Significant unobservable prices or inputs where there is little or no market activity for the asset or liability at the measurement date.

Valuation methodologies used for assets measured at fair value are as follows:

Certificates of deposit – are classified withing Level 2 because they are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market rate assumptions.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. RSA's policy for determining the timing of significant transfers between Levels 1 and 2 is at the end of the reporting period. There have been no changes to the methodologies used at December 31, 2024 from previous reporting periods.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following represents, by level, RSA's fair value hierarchy for its financial assets measured at fair value on a recurring basis as of December 31, 2024:

	Total	Level 1	Level 2	Level 3
Certificate of deposit	\$ 12,998	\$ -	\$ 12,998	\$ -

**RANCHERS STEWARDSHIP ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

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**NOTE 6. NOTES PAYABLE**

Notes payable consisted of the following at December 31, 2024:

Note payable to Buddy Walsh in the original amount of \$20,000; repayable in monthly payments of \$1,710, including interest at 4.78%, maturing October 22, 2025; the note is unsecured	\$ 18,370
Note payable to Sheila Walsh in the original amount of \$19,000; repayable in monthly payments of \$1,625, including interest at 4.78%, maturing October 22, 2025; the note is unsecured	<u>17,451</u>
Total note payable	\$ 35,821
Less current portion	<u>(35,821)</u>
Notes payable	<u><u>\$ -</u></u>

**NOTE 7. OPERATING LEASES**

RSA leases space under terms of a one-year lease agreement that expired March 31, 2025, with monthly rental payments of \$750. A new one-year lease agreement was subsequently signed in March 2025 with a lease term from April 1, 2025 to March 31, 2026 with monthly rental payments of \$800.

In February 2024 RSA entered into a one-year lease agreement to sublet office space to an unrelated party. The lease expired March 31, 2025. A new one-year lease agreement was subsequently signed in March 2025, with a lease term from April 1, 2025 to March 31, 2026 with monthly payments of \$200. Total sublease revenue totaled \$2,400 for the year ended December 31, 2024.

**NOTE 8. NET ASSETS**

Net assets with donor restrictions consisted of the following at December 31, 2024:

Subject to expenditure for specified purpose restriction:	
Conservation programs	\$ 24,603



**RANCHERS STEWARDSHIP ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024**

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**NOTE 8. NET ASSETS, Continued**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2024:

Satisfaction of purpose restrictions:

Conservation programs	\$ 1,413,225
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**NOTE 9. CONCENTRATIONS**

Revenue from 3 grantors represented approximately 79% of RSA's revenue for the year ended December 31, 2024. Any significant decrease in contracts and agreements with these donors could have a negative impact on future operations and program services of RSA. Receivables from three donors represented approximately 100% of RSA's receivables at December 31, 2024.

**NOTE 10. RETIREMENT PLAN**

RSA has a SIMPLE IRA retirement plan covering eligible employees. RSA contributes up to 3% of eligible employee contributions. Employer contributions to the plan totaled \$5,679 for the year ended December 31, 2024.

## **SUPPLEMENTARY INFORMATION**

**RANCHERS STEWARDSHIP ALLIANCE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2024**

Federal Agency	Pass-Through Agency	Federal Program	Assistance Listing Number	Amount Expended
U.S. Department of Agriculture				
	National Fish and Wildlife Foundation	Conservation Reserve Program	10.069	\$ 38,844
	Natural Resources Conservation Service	Conservation Reserve Program	10.069	9,337
	National Fish and Wildlife Foundation	Soil and Water Conservation	10.902	8,349
	Natural Resources Conservation Service	Soil and Water Conservation	10.902	5,795
	National Fish and Wildlife Foundation	Environmental Quality Incentives Program	10.912	40,282
	Natural Resources Conservation Service	Environmental Quality Incentives Program	10.912	14,410
	National Fish and Wildlife Foundation	Conservation Stewardship Program	10.924	123,542
	Natural Resources Conservation Service	Conservation Stewardship Program	10.924	13,803
	National Fish and Wildlife Foundation	Agricultural Conservation Easement Program	10.931	11,964
	National Fish and Wildlife Foundation	Regional Conservation Partnership Program	10.932	1,685
		Total U.S. Department of Agriculture		268,011
U.S. Department of the Interior				
	National Fish and Wildlife Foundation	Wildlife Resource Management	15.247	\$ 187,898
	Bureau of Land Management	Wildlife Resource Management	15.247	33,056
	U.S. Fish and Wildlife Service	Partners for Fish and Wildlife	15.631	309,612
	National Fish and Wildlife Foundation	Partners for Fish and Wildlife	15.631	41,639
	Intermountain West Joint Venture	Migratory Bird Joint Ventures	15.637	65,319
	National Fish and Wildlife Foundation	NFWF-USFWS Conservation Partnership	15.663	6,073
		Total U.S. Department of the Interior		643,597
		Total Expenditures of Federal Awards		\$ 911,608

See notes to the schedule of expenditures of federal awards.

**RANCHERS STEWARDSHIP ALLIANCE**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**December 31, 2024**

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**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Ranchers Stewardship Alliance (“RSA”) under programs of the federal government for the year ended December 31, 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 of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of RSA, it is not intended to and does not present the financial position, change in net assets, or cash flows of RSA.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. Indirect Cost Rate**

RSA has elected to use the 10 percent *de minimus indirect* cost rate permitted by 2 CFR §200.414(f). Indirect costs included in the schedule were calculated at 10% of modified total direct costs and applied consistently to Federal Awards for the year ended December 31, 2024.

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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*

*Independent Auditors' Report*

To the Board of Directors of  
Ranchers Stewardship Alliance  
Malta, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Ranchers Stewardship Alliance ("RSA"), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 9, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered RSA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RSA's internal control. Accordingly, we do not express an opinion on the effectiveness of RSA's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

As part of obtaining reasonable assurance about whether RSA'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*.

## **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 RSA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RSA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Linford Accounting, LLP".

Missoula, Montana  
July 9, 2025

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE

*Independent Auditors' Report*

To the Board of Directors of  
Ranchers Stewardship Alliance  
Malta, Montana

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

***Opinion on The Major Federal Program***

We have audited Ranchers Stewardship Alliance's ("RSA") 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 RSA's major federal programs for the year ended December 31, 2024. RSA's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, RSA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

***Basis for Opinion on The Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of RSA 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 the major federal program. Our audit does not provide a legal determination of RSA'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 RSA's federal programs.

### ***Auditors' 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 RSA'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 RSA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding RSA'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 RSA'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 RSA's internal control over compliance. Accordingly, no such opinion is expressed.

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



## Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.

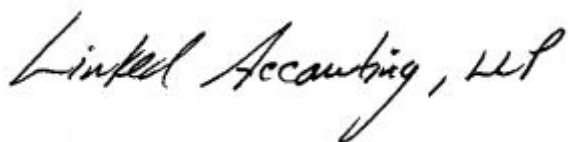
A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Linde Accounting, LLP".

Missoula, Montana  
July 9, 2025

**RANCHERS STEWARDSHIP ALLIANCE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2024**

**Section I - Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to the financial statements noted?	No

*Federal Awards*

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.156(s)?	No

*Identification of Major Federal Program(s):*

<u>Assistance Listing Number(s):</u>	<u>Federal Program or Cluster</u>
15.247	Wildlife Resource Management
15.631	Partners for Fish and Wildlife

Dollar threshold used to distinguish between Type A and Type B Programs as described in the Uniform Guidance:	\$ 750,000
Auditee qualified as a low-risk auditee?	No

**Section II - Financial Statement Findings**

None reported

**Section III - Federal Awards Findings and Questioned Costs**

None reported