THE SEQUOYAH FUND, INC.

Cherokee, North Carolina

Financial Statements

Years Ended December 31, 2021 and 2020

THE SEQUOYAH FUND, INC.

OFFICERS

Yona Wade	President
Eddie Swimmer	Vice President
Jimmy Burns	Treasurer
Tonya Carroll	Secretary

BOARD OF DIRECTORS

Jimmy Burns	Bruce Martin, Jr.
Tonya Carroll	Ray Rose
Michell Hicks	Eddie Swimmer
Bradley Letts	Yona Wade

EXECUTIVE DIRECTOR

Russell Seagle

THE SEQUOYAH FUND, INC.

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CARTER
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management
The Sequoyah Fund, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Sequoyah Fund, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Sequoyah Fund, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 The Sequoyah Fund, Inc.'s ability to continue as a going concern within 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 generally accepted auditing standards and *Government Auditing Standards,* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Sequoyah Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Sequoyah Fund, Inc.'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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements.

Supplementary Information (continued)

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 schedule of 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 April 8, 2022, on our consideration of The Sequoyah Fund, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Sequoyah Fund, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Sequoyah Fund, Inc.'s internal control over financial reporting and compliance.

Carter, P.C.

Asheville, North Carolina
April 8, 2022

THE SEQUOYAH FUND, INC.

Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and equivalents	$ 6,426,662	$ 4,380,137
Other receivables	295,438	123,408
Loans receivable, current portion	817,546	755,147
Other current assets	2,750	2,750
Total current assets	7,542,396	5,261,442
Investments	522,274	519,697
Property and equipment	2,526	6,496
Intangible assets	5,094	6,549
Loans receivable, net of current portion	3,787,585	3,799,927
Total assets	$ 11,859,875	$ 9,594,111
Liabilities and net assets		
Current liabilities:		
Current maturities of notes payable	$ 26,890	$ 88,289
Accounts payable	36,496	9,440
Agency liabilities	593,703	55,431
Deferred revenue	588,943	
Payroll liabilities	105,482	114,644
Total current liabilities	1,351,514	267,804
Notes payable, net of current maturities	467,927	772,905
Total liabilities	1,819,441	1,040,709
Net assets:		
Without donor restrictions	6,990,991	5,697,888
With donor restrictions	3,049,443	2,855,514
Total net assets	10,040,434	8,553,402
Total liabilities and net assets	$ 11,859,875	$ 9,594,111

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

THE SEQUOYAH FUND, INC.

Statement of Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Foundation and private grants	$	$ 554,447	$ 554,447
Federal grants		1,266,000	1,266,000
Interest income	332,856		332,856
Loan fees	47,338		47,338
Program income	66,281		66,281
Investment income, net	13,526		13,526
Other income	11,249		11,249
Net assets released from restrictions	1,626,518	(1,626,518)	
Total revenue and support	2,097,768	193,929	2,291,697
Expenses			
Program services	572,694		572,694
Management and general	221,022		221,022
Total expenses	793,716		793,716
Increase in net assets before other losses	1,304,052	193,929	1,497,981
Other losses			
Net losses on investments	(10,949)		(10,949)
Increase in net assets	1,293,103	193,929	1,487,032
Net assets at beginning of year	5,697,888	2,855,514	8,553,402
Net assets at end of year	$ 6,990,991	$ 3,049,443	$ 10,040,434

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

THE SEQUOYAH FUND, INC.

Statement of Activities
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Foundation and private grants	$	$ 562,500	$ 562,500
Federal grants		1,550,000	1,550,000
Interest income	295,765		295,765
Loan fees	34,890		34,890
Program income	38,831		38,831
Investment income, net	16,408		16,408
Other income	20,455		20,455
Net assets released from restrictions	981,528	(981,528)	
Total revenue and support	1,387,877	1,130,972	2,518,849
Expenses			
Program services	829,851		829,851
Management and general	237,869		237,869
Total expenses	1,067,720		1,067,720
Increase in net assets before other gains	320,157	1,130,972	1,451,129
Other gains			
Net gains on investments	3,289		3,289
Increase in net assets	323,446	1,130,972	1,454,418
Net assets at beginning of year	5,374,442	1,724,542	7,098,984
Net assets at end of year	$ 5,697,888	$ 2,855,514	$ 8,553,402

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

THE SEQUOYAH FUND, INC.

Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services	Management and General	Total
Salaries	$ 274,616	$ 91,539	$ 366,155
Payroll taxes	22,034	7,345	29,379
Benefits	56,259	18,753	75,012
Total salaries and related expenses	352,909	117,637	470,546
Bank charges	12,035	906	12,941
Copier	63	11	74
Dues, subscriptions, and licenses	6,472	1,142	7,614
Insurance	1,712	302	2,014
Miscellaneous	1,139	201	1,340
Supplies	3,006	751	3,757
Postage and delivery	3,791	77	3,868
Printing	1,579	279	1,858
Computer services	40,497	7,146	47,643
Rent	5,100	900	6,000
Utilities	6,649	1,173	7,822
Travel and entertainment	20,140	3,554	23,694
Loan loss provision	(158,686)		(158,686)
Repairs and maintenance	3,203	565	3,768
Professional services	45,982	8,114	54,096
Marketing	17,064		17,064
Board expenses	48,527	8,564	57,091
Program expenses	45,619		45,619
Contract labor	103,330	68,886	172,216
Total expenses before interest and depreciation and amortization	560,131	220,208	780,339
Interest	7,952		7,952
Depreciation and amortization	4,611	814	5,425
Total expenses	$ 572,694	$ 221,022	$ 793,716

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

THE SEQUOYAH FUND, INC.

Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services	Management and General	Total
Salaries	$ 284,412	$ 94,804	$ 379,216
Payroll taxes	21,290	7,097	28,387
Benefits	37,302	12,434	49,736
Total salaries and related expenses	343,004	114,335	457,339
Bank charges	13,831	1,041	14,872
Dues, subscriptions, and licenses	5,339	942	6,281
Insurance	1,079	191	1,270
Miscellaneous	6,227	1,099	7,326
Supplies	3,757	939	4,696
Postage and delivery	3,242	66	3,308
Printing	7,668	1,353	9,021
Computer services	44,617	7,874	52,491
Rent	5,100	900	6,000
Utilities	8,159	1,440	9,599
Travel and entertainment	11,870	2,095	13,965
Loan loss provision	74,945		74,945
Professional services	57,083	10,074	67,157
Marketing	20,799		20,799
Board expenses	46,410	8,190	54,600
Program expenses	33,646		33,646
Contract labor	129,654	86,436	216,090
Total expenses before interest and depreciation and amortization	816,430	236,975	1,053,405
Interest	8,356		8,356
Depreciation and amortization	5,065	894	5,959
Total expenses	$ 829,851	$ 237,869	$ 1,067,720

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

THE SEQUOYAH FUND, INC.

Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Increase in net assets	$ 1,487,032	$ 1,454,418
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	5,425	5,959
Paycheck Protect Program loan forgiveness	(66,000)	
Provision for loan losses, net	(158,686)	74,945
Net (gains) losses on investments	10,949	(3,289)
Changes in working capital - sources (uses):		
Other receivables	(172,030)	223,589
Loans receivable	108,629	234,762
Accounts payable	27,056	(14,526)
Agency liabilities	538,272	55,431
Deferred revenue	588,943	
Payroll liabilities	(9,162)	43,337
Net cash provided by operating activities	2,360,428	2,074,626
Cash flows from investing activities		
Proceeds from sale of investments		83
Purchase of investments	(13,526)	(516,491)
Net cash used by investing activities	(13,526)	(516,408)
Cash flows from financing activities		
Principal payments on notes payable	(300,377)	(40,410)
Proceeds from issuance of long-term debt		66,000
Net cash provided (used) by financing activities	(300,377)	25,590
Net increase in cash and equivalents	2,046,525	1,583,808
Cash and cash equivalents, beginning of year	4,380,137	2,796,329
Cash and cash equivalents, end of year	$ 6,426,662	$ 4,380,137
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 7,952	$ 8,356

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

Note 1 - Summary of Significant Accounting Policies

Organization

The Sequoyah Fund, Inc. (the Organization) was established in 1998 as a nonprofit organization. When established, the primary purpose of the Organization was to provide direct small business micro-lending. In June 2005, the Organization was certified as a Community Development Financial Institution by the Community Development Financial Institutions Fund of the U.S. Department of the Treasury. The Organization primarily serves the Cherokee, North Carolina area in small business lending, consulting, training, technical assistance, and support for starting and expanding small businesses.

Income Tax Status

The Organization is incorporated as a nonprofit corporation under the laws of the State of North Carolina. The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities, and is not a private foundation. The Organization is also exempt from State income tax under NC G.S. 105-130.11(a).

Basis of Presentation

The financial statements of the Organization 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), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- *Net assets without donor restrictions*: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

- *Net assets with donor restrictions*: Net assets subject to donor-imposed time or purpose restrictions. These restrictions limit the spending options when using resources because the Organization has a fiduciary responsibility to follow the donors' instructions. Net assets with donor restrictions generally result from donor-restricted contributions and grants received for a specific purpose. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Support is recorded as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets (that is, the donor-stipulated purpose has been fulfilled and/or time period has elapsed) are reported as net assets released from restrictions.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities are attributable to the Organization's ongoing program services and interest and dividends on investments. Non-operating activities are limited to resources that generate return from investments, disposal of property and equipment, and other activities considered to be more unusual or nonrecurring in nature.

Fair Value of Financial Instruments

The carrying value of substantially all reported assets and liabilities, other than loans receivable, investments, and notes payable, approximates fair value due to the relatively short-term nature of the financial instruments.

Amounts recognized for loans receivable approximate fair value due to the provision for loan losses and market interest rates applied to outstanding balances.

Fair value of investments is discussed in Note 5.

The carrying value of notes payable approximates fair value due to interest rates from lending institutions being comparable to those offered from the federal government at the time of borrowing.

Cash and Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, except those amounts designated and classified as investments.

As required by certain loan covenants for its lending operations, the Organization established loan loss reserves for the years ended December 31, 2021 and 2020, which are included in cash and equivalents in the amount of $100,000. These reserves, as with their related loan pools, are required to be maintained in separate bank accounts.

Note 1 - Summary of Significant Accounting Policies (continued)

Loans Receivable

Loans receivable are carried at unpaid principal balances, less an allowance for loan losses. Management's periodic evaluation of the adequacy of the allowance is based on the Organization's historical loan loss experience, specific impaired loans, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and current economic conditions. Past due status is determined based on contractual terms. Loans are considered impaired if full principal or interest payments are not anticipated in accordance with the contractual terms. The Organization's practice is to charge off any loan or portion of a loan when the balance is determined by management to be uncollectible due to the borrower's failure to meet repayment terms, deteriorating or deteriorated financial condition, or other reasons.

Investments

Investments are recorded at fair market value. Both unrealized gains and losses from the fluctuation of market value and realized gains and losses from the sale of investments are reflected in the statements of activities.

Investment Income and Gains

Investment income and gains are reported as increases in net assets without donor restrictions unless the income or loss is restricted by donors or law.

Fair Value Measurements and Disclosures

The Organization applies U.S. GAAP authoritative guidance for fair value measurements and disclosures, which defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Note 1 - Summary of Significant Accounting Policies (continued)

Fair Value Measurements and Disclosures (continued)

Assets and liabilities within the hierarchy are based on the lowest (or least observable) input that is significant to the measurement. The Organization's assessment of the significance of an input requires judgement, which may affect the valuation and classification within the fair value hierarchy.

Property and Equipment

Additions to property and equipment, if purchased, are recorded at cost. Major renewals and replacements are capitalized. Expenditures for repairs and maintenance that do not improve or extend the life of the asset are expensed. The Organization has adopted an accounting policy to capitalize all property and equipment with a cost greater than $5,000 and an estimated useful life extending beyond one year. Depreciation is computed using the straight-line method over the estimated useful life of the asset, ranging from three to ten years.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at the estimated fair value at the date of the gift. The Organization reports gifts of property and equipment as contributions without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are recorded as net assets with donor restrictions until such assets are acquired or placed in service.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their fair values at the date of donation. The Organization occupies office space owned by the Eastern Band of Cherokee Indians (EBCI) at no fee. The fair value of the office space was $6,000 for the years ended December 31, 2021 and 2020, and is included in other income and rent expense.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. No amounts have been reflected in the accompanying financial statements for donated services since the recognition criteria were not met.

Revenue Recognition

Contributions are recognized when cash, securities, other assets, or an unconditional promise to give is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return of the asset or right of release of the obligation - are not recognized until the conditions on which they depend have been met.

Note 1 - Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

A portion of the Organization's 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 the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as agency liabilities in the statements of financial position.

Interest income and loan fees are recognized based on the contractual provisions of the underlying arrangements. Loan fees consist of loan origination fees, which are recognized at the time the loan is disbursed to the consumer, and late fees on outstanding loans. Management has determined that net deferred loan fees are not material to the accompanying financial statements and has not established deferred loan fees.

Loans are placed on nonaccrual status when management believes, after considering economic conditions, business conditions, and collection efforts, that the loans are impaired, or collection of interest is doubtful. Uncollected interest previously accrued is charged off to interest income. Interest income on nonaccrual loans is recognized only to the extent cash payments are received. Any payments received on loans previously written off are recorded as loan loss recoveries.

Program income primarily consists of training and educational programs related to business and debt management. The performance obligations of delivering these services are simultaneously received and consumed by participants. Revenue is recognized at an amount that reflects the consideration to which the Organization expects to be entitled in exchange for transferring those services to participants.

The Organization generates revenue by facilitating loans and grants for other agencies. The Organization acts as an agent in processing these loan and grant transactions and accordingly recognizes the revenue on a net basis at the amount earned in the form of interest and fees based on contractual provisions. Consideration received in advance of performance obligations being fulfilled as well as principal and unearned interest repayments are reported as agency liabilities in the statements of financial position.

Functional Allocation of Expenses

The cost of providing program and supporting services activities have been summarized on a functional basis in the statements of activities and functional expenses. Certain categories of expenses are attributable to programs and support. All expenses are allocated based on estimates of time and effort, except for loan loss provision, marketing, program expenses, and interest, which are directly related to program services.

Note 1 - Summary of Significant Accounting Policies (continued)

Advertising

The Organization uses advertising to promote various programs. Advertising costs are not expected to extend beyond the current year and are expensed as incurred. Advertising expense for the years ended December 31, 2021 and 2020, was $17,064 and $20,799, respectively.

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

New Accounting Pronouncement

During the year ended December 31, 2021, the Organization adopted the requirements of the following standard set by the Financial Accounting Standards Board (FASB). The implementation of this standard did not materially impact the Organization's financial statements.

- Accounting Standards Update No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). ASU 2016-13 is intended to improve financial reporting about credit losses on loan receivable balances.

Recently Issued Accounting Pronouncement

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 puts in place additional requirements regarding the presentation and disclosure of contributed nonfinancial assets for nonprofit entities for the purpose of enhancing transparency of such contributions received. The new standard will be effective beginning January 1, 2022.

Note 2 - Net Assets

Net assets are described as follows:

At December 31	2021	2020
Net assets without donor restrictions:		
Undesignated	$ 6,990,991	$ 5,697,888
Net assets with donor restrictions:		
Subject to expenditure for specified purpose:		
CDFI loan program	506,182	921,394
CDFI rapid response program	1,157,594	
Open for Business Fund program	343,512	
Cherokee Preservation Foundation loan program	359,226	559,126
Cherokee Preservation Foundation loan loss reserves	226,446	246,676
Native initiatives loan programs	327,839	948,461
Small Business Administration Growth Accelerator	24,451	29,601
USDA loan programs	104,193	150,256
Net assets with donor restrictions	3,049,443	2,855,514
Total net assets	$ 10,040,434	$ 8,553,402

Note 3 - Liquidity and Availability of Financial Assets

The Organization received significant grants restricted by donors or grantors and does not consider these funds to be available to meet cash needs for general expenditures since they are primarily held for lending. The Organization manages its liquidity following two guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs.

The following reflects the liquidity and availability of the Organization's financial assets:

At December 31	2021	2020
Financial assets:		
Cash and equivalents	$ 6,426,662	$ 4,380,137
Other receivables	295,438	123,408
Loans receivable, net	4,605,131	4,555,074
Other current assets	2,750	2,750
Investments	522,274	519,697
Total financial assets	11,852,255	9,581,066
Amounts not available for general expenditure:		
Net assets with donor restrictions	(3,049,443)	(2,855,514)
Noncurrent portion of loans receivable, net	(3,787,585)	(3,799,927)
Total amounts not available within one year	(6,837,028)	(6,655,441)
Net financial assets available to meet cash needs for general expenditures within one year	$ 5,015,227	$ 2,925,625

Note 4 - Contract Assets and Liabilities

Loans and other receivables represent the Organization's unconditional right to receive consideration from customers. Loans receivable are recorded at amounts expected to be received based on contractual terms without conditions. Other receivables are recorded at invoiced amounts or amounts expected to be received based on contractual provisions.

The following provides information about contract assets:

At December 31	2021	2020	2019
Other receivables:			
Accrued interest receivable	$ 47,439	$ 46,971	$ 18,137
Loan fee receivables	35,566	32,335	22,469
Agency receivables	203,896	38,355	97,042
Undeposited loan repayments			209,349
Program receivables	8,537	5,747	
Total other receivables	295,438	123,408	346,997
Loans receivable:			
USDA Intermediary Relending Program	202,262	339,475	457,794
CDFI loan program	2,718,046	2,360,970	2,019,120
CPF loan program	1,289,979	1,448,642	1,844,936
The Sequoyah Fund, Inc. equity loan pool	688,789	796,524	853,449
Total loans receivable	4,899,076	4,945,611	5,175,299
Less, allowance for loan losses	(293,945)	(390,537)	(310,518)
Loans receivable, net	4,605,131	4,555,074	4,864,781
Total contract assets	$ 4,900,569	$ 4,678,482	$ 5,211,778

Changes in the Organization's allowance for loan losses are summarized as follows:

At December 31	2021	2020
Beginning of year	$ 390,537	$ 310,518
Loan loss provision	(158,686)	74,945
Recoveries	62,094	19,165
Write-offs		(14,091)
Balance of allowance for loan losses, end of year	$ 293,945	$ 390,537

At December 31, 2021 and 2020, total loans on nonaccrual status amounted to approximately $69,000 and $115,000, respectively.

Note 4 - Contract Assets and Liabilities (continued)

Contract liabilities are recorded when a customer pays consideration, or the Organization has a right to an amount of consideration that is unconditional, before the transfer of a good or performance of a service to the customer. Thus, the Organization has an obligation to transfer the good or service to the customer at a future date. The Organization's contract liabilities consist of agency liabilities and deferred revenue.

Agency liabilities consists of payments received to facilitate loans and grants for other agencies that have yet to be disbursed in accordance with the agency agreements.

Deferred revenue is comprised of payments received in advance for conditional grants and administrative fees prior to performance obligations being met. Revenue will be recognized as performance obligations are fulfilled.

Significant changes in contract liabilities from contracts with customers are as follows:

At December 31	2021	2020
Agency liabilities, beginning of fiscal year	$ 55,431	$
Cash received from agencies	3,587,000	250,000
Principal and interest repayments on agency loans in excess of amounts owed from agencies	296,587	260,615
Agency loans disbursed to loan participants	(1,870,459)	(230,000)
Grants disbursed	(1,231,297)	
Loan fees recognized as revenue	(100)	(7,100)
Repayments to agency	(243,459)	(218,084)
Agency liabilities, end of year	593,703	55,431
Deferred revenue, beginning of year		
Cash received	675,000	
Administrative fees earned	(86,057)	
Deferred revenue, end of year	588,943	
Total contract liabilities	$ 1,182,646	$ 55,431

Note 5 - Fair Value Measurements

Investments are reported in the accompanying financial statements at estimated fair value in accordance with the fair value hierarchy. The following is a description of the valuation methodologies used for assets measured at fair value:

Cash and Money Market Funds
Cash and money market funds are valued using observable market data and are categorized as Level 1 to the degree that they can be valued based on quoted market prices in active markets. Although these funds are readily available, it is the intent of the Organization to hold them for investment purposes and therefore have classified them as investments.

Note 5 - Fair Value Measurements (continued)

Equity Investments

Equity investments consist of mutual funds. These investments are generally valued based on quoted market prices in active markets obtained from exchange or dealer markets for identical assets, and are accordingly categorized as Level 1, with no valuation adjustments applied.

The following tables sets forth estimated fair values of financial instruments:

At December 31, 2021	Level 1	Level 2	Level 3	Total
Investments:				
Cash and money market funds	$ 25,016	$	$	$ 25,016
Equity investments:				
Mutual funds - equity index	78,588			78,588
Mutual funds - bond index	418,670			418,670
Total fair value measurements	$ 522,274	$	$	$ 522,274

At December 31, 2020	Level 1	Level 2	Level 3	Total
Investments:				
Cash and money market funds	$ 25,014	$	$	$ 25,014
Equity investments:				
Mutual funds - equity index	78,512			78,512
Mutual funds - bond index	416,171			416,171
Total fair value measurements	$ 519,697	$	$	$ 519,697

Note 6 - Property and Equipment

A description of property and equipment is as follows:

At December 31	2021	2020
Furniture, fixtures, and equipment	$ 106,176	$ 106,176
Computers	18,893	31,487
	125,069	137,663
Less, accumulated depreciation	122,543	131,167
Property and equipment	$ 2,526	$ 6,496

Depreciation expense for the years ended December 31, 2021 and 2020, was $3,970 and $4,503, respectively.

Note 7 - Intangible Assets

Intangible assets are described as follows:

At December 31		2021		2020
REAL Trademark	$	14,554	$	14,554
Less, accumulated amortization		9,460		8,005
Intangible assets	$	5,094	$	6,549

Amortization expense for the for the years ended December 31, 2021 and 2020, was $1,455 each year. Scheduled amortization expense on intangible assets are as follows:

Years Ending December 31		
2022	$	1,455
2023		1,455
2024		1,455
2025		729
2026		
Total	$	5,094

Note 8 - Notes Payable

Notes payable are described as follows:

At December 31		2021		2020
Note payable to USDA, under the IRP, bearing interest at 1% per annum. The note is secured by the Organization's IRP revolving fund, including loans receivable derived from the note and property. Annual principal and interest installments of $31,838 are due through January 2038.	$	494,817	$	521,441
Note payable to USDA, under the IRP, bearing interest at 1% per annum. The note is secured by the Organization's IRP revolving fund, including loans receivable derived from the note and property. Annual principal and interest installments of $16,928 are due through October 2039.				273,753
Paycheck Protection Program (PPP) note payable obtained in May 2020, note forgiven in full during 2021				66,000
		494,817		861,194
Less, current maturities		26,890		88,289
Notes payable, net of current maturities	$	467,927	$	772,905

Note 8 - Notes Payable (continued)

Interest expense for the years ended December 31, 2021 and 2020, was $7,952 and $8,356, respectively.

Scheduled principal repayments on notes payable are as follows:

Years Ending December 31		
2022	$	26,890
2023		27,159
2024		27,430
2025		27,705
2026		27,982
Thereafter		357,651
Total principal payments	$	494,817

Note 9 - Retirement Plan

The Organization provides a 403(b) retirement plan for eligible employees. The Organization contributes 5% of the employee's annual salary, without requiring a matching contribution, once eligibility requirements are met. For the years ended December 31, 2021 and 2020, retirement expense was $33,137 and $19,330, respectively.

Note 10 - Income Taxes

Uncertain Tax Positions

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions material to the financial statements.

Open Tax Years

The Organization's Return of Organization Exempt From Income Tax (Form 990) for the years ended December 31, 2020, 2019, and 2018, are subject to examination by the IRS, generally for three years after they were filed.

Note 11 - Related-Party Transactions

During a prior year, a coffee shop was sold to a board member in exchange for a loan receivable. The note requires monthly interest payments at 7% and matures in August 2026. As of December 31, 2021 and 2020, the balance of the loan receivable was $68,819 and $78,118, respectively. This individual is no longer a board member effective January 2021, but an immediate family member is now a board member as of January 2021.

Note 11 - Related-Party Transactions (continued)

During the year ended December 31, 2021, a business owned by a board member received a $30,000 grant through the ACCEL program.

During a prior year, the Organization loaned $123,000 at 6% interest to a business owned by a board member through the Intermediary Relending Program. As of December 31, 2021 and 2020, the outstanding balance of the loan receivable was $29,691 and $40,546, respectively.

In February 2018, the Organization loaned $15,000 at 4% interest to an employee through the Community Development Financial Institutions Program. At December 31, 2021 and 2020, the outstanding balance on the loan receivable was $7,359 and $10,980, respectively.

In April 2020, the Organization loaned $25,000 at 4% interest to a business owned by an immediate family member of a board member through the Community Development Financial Institutions Program. As of December 31, 2021 and 2020, the outstanding balance of the loan receivable was $16,682 and $21,747 respectively.

During the years ended December 31, 2021 and 2020, the Organization contracted services from a board member's business totaling $107,600 and $20,000, respectively. As of December 31, 2021 and 2020, accounts payable to this business was $0 and $10,000, respectively. As of September 2021, the individual is no longer a member of the board of directors.

Note 12 - Concentration of Credit Risk

For the years ended December 31, 2021 and 2020, the Organization received approximately 76% and 82%, respectively, of its total revenue from two sources.

The Organization's loans receivable and investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with these loans and investments and the level of uncertainty related to changes in the fair value of investments, it is at least reasonably possible that changes in the various risk factors could occur in the near term and materially affect the Organization's financial position.

Note 13 - Commitments and Contingencies

Risk Management

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization carries commercial insurance for risks related to workers' compensation, employee and director liability, and property and casualty insurance for risks of loss.

Note 13 - Commitments and Contingencies (continued)

Federal Assisted Programs

The Organization has received proceeds from several federal agencies. Periodic audits of these grants and third-party reimbursements are required and certain costs may be questioned as not being appropriate expenditures under the agreements. Such audits could result in the refund or reimbursement to the grantor or third-party agencies. Management believes that refunds or reimbursements, should any be determined, would be immaterial. No provisions have been made in the accompanying financial statements for the repayment of any grant monies.

Note 14 - Coronavirus Pandemic Impact

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused unprecedented business and economic disruption through mandated closings of certain businesses and industries.

COVID-19 did not have a significant impact on the Organization's ability to operate during the years ended December 31, 2021 and 2020. The Organization is working closely with borrowers and continuously monitors their ability to satisfy contractual terms.

Governmental grants received as a result of COVID-19 consist of $66,000 in U.S. Small Business Administration Paycheck Protection Program loan forgiveness and $1,200,000 for the CDFI Rapid Recovery Program during the year ended December 31, 2021. Additionally, the Organization acted as an agent for various entities to assist with the disbursement of COVID-19 related loans and grants totaling $1,236,297 and $1,099,130 during the years ended December 31, 2021 and 2020, respectively. The Organization recognized revenue totaling $80,807 and $37,500 for the years ended December 31, 2021 and 2020, respectively, related to these agency services.

The extent of the impact of COVID-19 will depend on certain developments, including the duration and spread of the outbreak. At this point, it is unclear the extent COVID-19 will have on the Organization's financial condition or results of operations.

Note 15 - Subsequent Events

Management has evaluated subsequent events through April 8, 2022, which is the date the financial statements were available to be issued.

In early 2022, the Organization's investments experienced significant declines in fair value. While recovery is uncertain and material adverse impacts could occur, the decline is expected to be temporary.

COMPLIANCE SECTION

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors and Management
The Sequoyah Fund, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Sequoyah Fund, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 8, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Sequoyah Fund, Inc.'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 The Sequoyah Fund, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Sequoyah Fund, Inc.'s internal control.

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

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

To the Board of Directors and Management
The Sequoyah Fund, Inc.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Sequoyah Fund, Inc.'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 the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carter, P.C.

Asheville, North Carolina
April 8, 2022

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

To the Board of Directors and Management
The Sequoyah Fund, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Sequoyah Fund, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Sequoyah Fund, Inc.'s major federal programs for the year ended December 31, 2021. The Sequoyah Fund, Inc.'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, The Sequoyah Fund, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits 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 The Sequoyah Fund, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of The Sequoyah Fund, Inc's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

To the Board of Directors and Management
The Sequoyah Fund, Inc.

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 The Sequoyah Fund, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Sequoyah Fund, Inc.'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 The Sequoyah Fund, Inc.'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 The Sequoyah Fund, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Sequoyah Fund, Inc.'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 overcompliance 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.

To the Board of Directors and Management
The Sequoyah Fund, Inc.

Report on Internal Control over Compliance (continued)

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 Auditors' 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 overcompliance. 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.

Carter, P.C.

Asheville, North Carolina
April 8, 2022

THE SEQUOYAH FUND, INC.

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL Number	Expenditures
U.S. Department of Agriculture		
Rural Development:		
Intermediary Relending Program	10.767	$ 948,825
U.S. Small Business Administration		
Office of Investment and Innovation:		
Growth Accelerator Fund Competition	59.065	5,150
U.S. Department of the Treasury		
Community Development Financial Institutions Fund:		
Native Initiatives	21.012	620,622
Community Development Financial Institutions Program	21.020	415,212
CDFI Rapid Response Program	21.024	42,406
Total U.S. Department of the Treasury		1,078,240
Total expenditures of federal awards		$ 2,032,215

Notes to the Schedule of Expenditures of Federal Awards

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of The Sequoyah Fund, Inc. under programs of the federal government for the year ended December 31, 2021. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of The Sequoyah Fund, Inc., it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of The Sequoyah Fund, Inc.

Note B - Summary of Significant Accounting Policies

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

Note C - Indirect Cost Rate

The Sequoyah Fund, Inc. has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

THE SEQUOYAH FUND, INC.

Schedule of Expenditures of Federal Awards (continued)
Year Ended December 31, 2021

Note D - Loans Outstanding

The Sequoyah Fund, Inc. had the following loan balances outstanding at December 31, 2021, that the grantor has imposed continuing compliance requirements. Loans outstanding at the beginning of the year are included in the SEFA. The balance of loans outstanding at December 31, 2021, consists of:

Program Title	Federal AL Number	Amount Outstanding
Intermediary Relending Program 2007	10.767	$ 494,817

THE SEQUOYAH FUND, INC.

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	____ yes _X_ no
Significant deficiency(ies) identified?	____ yes _X_ none reported
Noncompliance material to financial statements noted?	____ yes _X_ no

Federal Awards

Internal control over compliance:	
Material weakness(es) identified?	____ yes _X_ no
Significant deficiency(ies) identified?	____ yes _X_ none reported
Type of auditors' report issued on compliance for major federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	____ yes _X_ no

Identification of major federal program:
AL Number 10.767 - Intermediary Relending Program (IRP)

The threshold for distinguishing Type A and Type B programs was $750,000. In addition, all material loan programs with continuing compliance requirements are classified as Type A programs.

The Sequoyah Fund, Inc. was determined to be a low-risk auditee.

Section II - Financial Statement Findings

None reported.

Section III - Federal Awards Findings and Questioned Costs

None reported.

THE SEQUOYAH FUND, INC.

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2021

No findings were reported for the year ended December 31, 2020.

No findings were reported for the year ended December 31, 2019.