

American Indian Family Center

St. Paul, Minnesota

Financial Statements
Auditor's Report
For the Years Ended
June 30, 2021 and 2020



CERTIFIED PUBLIC ACCOUNTANTS

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Carpenter, Evert & Associates

Certified Public Accountants
7760 France Avenue S. Suite 940 Bloomington Minnesota 55435
952.831.0085 carpenterevert.com

Independent Auditor's Report

Board of Directors
American Indian Family Center
St. Paul, Minnesota

Opinion

We have audited the accompanying financial statements of American Indian Family Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 referred to above present fairly, in all material respects, the financial position of American Indian Family Center as of June 30, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Indian Family Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Indian Family Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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, including omissions, 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, 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 American Indian Family Center'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 American Indian Family Center'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.

Carpenter, Fort & Associates, Ltd.
Certified Public Accountants

St. Paul, Minnesota
August 9, 2023

AMERICAN INDIAN FAMILY CENTER
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Contributions	\$ 389,750	\$ 680,000	\$ 1,069,750	\$ 158,297	\$ 307,000	\$ 465,297
Government Grants and Contracts	2,320,726	-	2,320,726	1,840,531	-	1,840,531
Other Revenue	1,358	-	1,358	9,420	-	9,420
Net Assets Released from Restrictions:						
Satisfaction of Purpose Restrictions	181,056	(181,056)	-	280,417	(280,417)	-
Total Support and Revenue	2,892,890	498,944	3,391,834	2,288,665	26,583	2,315,248
Expense:						
Program Services:						
Family and Youth Services	521,436	-	521,436	540,013	-	540,013
Behavioral Health Services	1,131,411	-	1,131,411	1,089,759	-	1,089,759
Community Development Services	800,013	-	800,013	416,940	-	416,940
Total Program Services	2,452,860	-	2,452,860	2,046,712	-	2,046,712
Support Services:						
Management and General	592,070	-	592,070	99,466	-	99,466
Fundraising	64,698	-	64,698	153,931	-	153,931
Total Support Services	656,768	-	656,768	253,397	-	253,397
Total Expense	3,109,628	-	3,109,628	2,300,109	-	2,300,109
Change in Net Assets	(216,738)	498,944	282,206	(11,444)	26,583	15,139
Net Assets - Beginning of Year	695,474	197,350	892,824	706,918	170,767	877,685
Net Assets - End of Year	\$ 478,736	\$ 696,294	\$ 1,175,030	\$ 695,474	\$ 197,350	\$ 892,824

The accompanying Notes to Financial Statements are an integral part of these statements.

EXHIBIT B

AMERICAN INDIAN FAMILY CENTER
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE TOTALS FOR 2020

	2021										2020
	Program Services					Support Services					Total All Services
	Family and Youth Services	Behavioral Health Services	Community Development Services	Total Program Services	Management & General	Fundraising	Total Support Services	Total All Services	Total All Services		
Total Personnel Costs	\$ 387,306	\$ 819,279	\$ 470,435	\$ 1,677,020	\$ 477,311	\$ 53,049	\$ 530,360	\$ 2,207,380	\$ 1,651,246		
Client Services:											
Program Supplies	74,889	82,324	117,724	274,937	-	-	-	274,937	47,831		
Housing Support	-	60,439	133,676	194,115	-	-	-	194,115	37,510		
Incentives	22,110	4,927	12,347	39,384	-	-	-	39,384	10,213		
Transportation	87	472	12,008	12,567	-	-	-	12,567	14,786		
Work Support	-	-	12,216	12,216	-	-	-	12,216	518		
Food Support	6,294	1,341	553	8,188	-	-	-	8,188	29,090		
Childcare	-	-	-	-	-	-	-	-	9,816		
Professional Fees	9,228	112,592	13,280	135,100	60,148	1,404	61,552	196,652	288,984		
Office Expenses	6,647	11,078	6,646	24,371	7,017	5,539	12,556	36,927	37,977		
Occupancy	5,810	12,589	6,456	24,855	4,842	2,582	7,424	32,279	33,979		
Insurance	6,673	11,222	6,369	24,264	3,943	2,124	6,067	30,331	20,039		
Professional Development	724	12,604	7,863	21,191	922	-	922	22,113	28,532		
Miscellaneous Expense	145	70	24	239	9,797	-	9,797	10,036	-		
Mileage and Travel	1,523	2,474	416	4,413	-	-	-	4,413	7,696		
Bank Fees and Interest	-	-	-	-	2,257	-	2,257	2,257	1,596		
Bad Debt Expense	-	-	-	-	-	-	-	-	59,737		
Depreciation	-	-	-	-	25,833	-	25,833	25,833	20,559		
Total Expense	\$ 521,436	\$ 1,131,411	\$ 800,013	\$ 2,452,860	\$ 592,070	\$ 64,698	\$ 656,768	\$ 3,109,628	\$ 2,300,109		

The accompanying Notes to Financial Statements are an integral part of this statement.

EXHIBIT C

AMERICAN INDIAN FAMILY CENTER
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services					Support Services			Total All Services
	Family and Youth Services	Behavioral Health Services	Community Development Services	Total Program Services	Management & General	Fundraising	Total Support Services		
Total Personnel Costs	\$ 363,274	\$ 776,085	\$ 346,762	\$ 1,486,121	\$ 33,025	\$ 132,100	\$ 165,125	\$ 1,651,246	
Client Services:									
Program Supplies	25,844	6,946	15,041	47,831	-	-	-	47,831	
Housing Support	37,381	129	-	37,510	-	-	-	37,510	
Incentives	7,520	165	2,528	10,213	-	-	-	10,213	
Transportation	4,473	924	9,389	14,786	-	-	-	14,786	
Work Support	-	-	518	518	-	-	-	518	
Food Support	24,025	3,074	1,991	29,090	-	-	-	29,090	
Childcare	2,239	6,857	720	9,816	-	-	-	9,816	
Professional Fees	43,348	187,839	20,229	251,416	26,009	11,559	37,568	288,984	
Office Expenses	6,836	11,393	6,836	25,065	7,216	5,696	12,912	37,977	
Occupancy	6,116	13,252	6,796	26,164	5,097	2,718	7,815	33,979	
Insurance	4,409	7,414	4,208	16,031	2,605	1,403	4,008	20,039	
Professional Development	11,116	12,143	1,870	25,129	2,963	440	3,403	28,532	
Mileage and Travel	3,432	3,801	52	7,285	396	15	411	7,696	
Bank Fees and Interest	-	-	-	-	1,596	-	1,596	1,596	
Bad Debt Expense	-	59,737	-	59,737	-	-	-	59,737	
Depreciation	-	-	-	-	20,559	-	20,559	20,559	
Total Expense	\$ 540,013	\$ 1,089,759	\$ 416,940	\$ 2,046,712	\$ 99,466	\$ 153,931	\$ 253,397	\$ 2,300,109	

The accompanying Notes to Financial Statements are an integral part of this statement.

AMERICAN INDIAN FAMILY CENTER
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash	\$ 141,427	\$ 493,642
Grants and Contracts Receivable - Net	769,103	519,829
Prepaid Expense	<u>69,607</u>	<u>90,514</u>
Total Current Assets	980,137	1,103,985
Grants and Contracts Receivable	112,500	-
Property and Equipment - Net	<u>245,789</u>	<u>271,156</u>
 TOTAL ASSETS	 <u>\$ 1,338,426</u>	 <u>\$ 1,375,141</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 33,356	\$ 44,587
Accrued Salaries and Vacation	117,694	126,577
Other Accrued Expenses	8,529	37,536
Refundable Advance	<u>3,817</u>	<u>16,317</u>
Total Current Liabilities	163,396	225,017
PPP Loan	-	257,300
Total Liabilities	<u>163,396</u>	<u>482,317</u>
Net Assets:		
Without Donor Restrictions		
Undesignated	472,254	688,992
Board Designated-Scholarships	<u>6,482</u>	<u>6,482</u>
Total Without Donor Restrictions	478,736	695,474
With Donor Restrictions	<u>696,294</u>	<u>197,350</u>
Total Net Assets	<u>1,175,030</u>	<u>892,824</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,338,426</u>	 <u>\$ 1,375,141</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

AMERICAN INDIAN FAMILY CENTER
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021 AND 2020

<u>Increase (Decrease) in Cash</u>	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 282,206	\$ 15,139
Total Adjustments	<u>(634,421)</u>	<u>(2,877)</u>
Net Cash Provided (Used) by Operating Activities	(352,215)	12,262
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	-	<u>(25,945)</u>
Net Cash (Used) by Investing Activities	-	(25,945)
Cash Flows from Financing Activities:		
Proceeds from PPP Loan	-	<u>257,300</u>
Net Cash Provided by Financing Activities	-	257,300
Net Increase (Decrease) in Cash	(352,215)	243,617
Cash-Beginning of Year	<u>493,642</u>	<u>250,025</u>
Cash -End of Year	<u>\$ 141,427</u>	<u>\$ 493,642</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

AMERICAN INDIAN FAMILY CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. Summary of Significant Accounting Policies

Organizational Purpose

The mission of the American Indian Family Center (AIFC) is to provide American Indian families with programs and services enriched by traditional American Indian culture and values. The programs provided are as follows:

Family & Youth Services: Provides holistic services that promote traditional lifestyles including parenting, peer-mentoring, leadership development, health and wellbeing for all generations. Programs include:

Bimaadiziwin Mikana (The Path of Life): Parent Mentor Program
Ombi'ayaa Anishinabe-Ininiwug (Rise up Original Men): Men and Fathers' Health Program
Waaban Ogimaawag (Tomorrow's Leaders): Native Youth Program
Wakanyeya Kin Wakan Pi (Our Children are Sacred): Women and Mothers' Health Program

Behavioral Health Services: Designed to support all generations with services that focus on behaviors and their impact on overall wellbeing. Our programs provide mental, chemical and behavioral support, case management, and resources. We use a holistic and traditional approach, incorporating healing aspects such as ceremonies and traditional practices. Programs include:

Healing Generations: Therapy and Case Management Program
Khunsi Onikan (Grandmothers' Arms): Recover and Treatment Program
Oshki-Maajitada (New-to Begin Again): Health and Wellness Program
Dreamcatchers: Children's Trauma-informed Program
Soogizin Dodem (Strengthening Families): Families' Trauma-Informed Program

Community Development Services: The Community Development team works to promote the capacity building of individuals, youth and families. Through the skill-development, education, employment and housing services, these programs provide the community with the tools, resources and opportunities to create economic and systemic changes. Programs include:

Thinica Owichakiyapi Thipi (Helping the Homeless Build): Housing Program
Zuya Wo Ohiya (Journey to Success): Employment and Education Program

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to AIFC, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and purpose. A description of the groupings is as follows:

Net Assets Without Donor Restrictions – Net assets which are not subject to donor-imposed stipulations. These net assets include both board designated and undesignated amounts. Property and equipment is reported as net assets without donor restrictions.

AMERICAN INDIAN FAMILY CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. AIFC reports contributions restricted by donors as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Promises-To-Give (Grants and Contracts Receivable)

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Grants and Contracts Receivable are stated net of the allowance for doubtful accounts of \$70,152 and \$70,152 for the periods ended June 30, 2021 and 2020, respectively. \$112,500 of Grants and Contracts Receivable as of June 30, 2021 will be collected in the following fiscal year.

Property and Equipment

All major expenditures for property and equipment over \$1,000 are capitalized at cost. Contributed items are recorded at fair market value at date of donation. Depreciation is provided through the use of the straight-line method.

Revenue and Revenue Recognition

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

A portion of AIFC'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 AIFC has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received a \$257,300 PPP SBA loan and recorded it as debt in the year ending June 30, 2020. The loan was forgiven and included in Government Grants and Contracts in the year ending June 30, 2021.

AMERICAN INDIAN FAMILY CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expense

Salaries and related expenses are allocated based on job descriptions and estimates. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting service, are allocated by AIFC's cost allocation system.

Income Tax

AIFC has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and has adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. AIFC's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. AIFC continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. It has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, AIFC annually files a Return of Organization Exempt From Income Tax (Form 990).

Risks and Uncertainties

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

AIFC has evaluated the effect that subsequent events would have on the financial statements through August 9, 2023, which is the date financial statements were available to be issued.

2. Contingencies and Uncertainties

The COVID-19 outbreak in the United States has caused business disruption through both mandated and voluntary suspension of operations. While many of the closings have re-opened, there are still uncertainties if there will be future disruptions due to additional outbreaks. Therefore, the Organization expects this matter may impact its future operating results, but reasonable estimates cannot be made at this time.

AMERICAN INDIAN FAMILY CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

3. Financial Instruments

Significant Concentrations of Credit Risk

AIFC provides services within the Twin Cities area. The amounts due for grants and contracts receivable are from local governments or institutions.

4. Property and Equipment

AIFC owned the following assets as of:

	<u>June 30,</u>		<u>Estimated Useful Lives</u>
	<u>2021</u>	<u>2020</u>	
Land	\$ 15,000	\$ 15,000	
Building and Improvements	472,430	472,361	6–39 years
Furniture and Equipment	104,844	104,447	5 years
	592,274	591,808	
Less Accumulated Depreciation	346,485	320,652	
	<u>\$ 245,789</u>	<u>\$ 271,156</u>	

Depreciation expense of \$25,833 and \$20,559 was recorded for the years ended June 30, 2021 and 2020, respectively.

5. Line of Credit

AIFC maintains a \$100,000, variable rate line-of-credit due on December 19, 2021 with American National Bank. The line-of-credit balance was \$-0- for both years ended June 30, 2021 and 2020, respectively.

6. Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of amounts for the following as of:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Homelessness Prevention	\$ 403,790	\$ 197,350
Capacity Building	258,869	-
Women and Mothers' Health Program	25,000	-
Professional Development	8,635	-
	<u>\$ 696,294</u>	<u>\$ 197,350</u>

AMERICAN INDIAN FAMILY CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

7. Liquidity and Availability

The following represents the AIFC's financial assets at December 31:

	<u>2021</u>	<u>2020</u>
Financial Assets:		
Cash	\$ 141,427	\$ 493,642
Grants and Contracts Receivable-Net	<u>769,103</u>	<u>519,829</u>
Financial assets available for general expenditures within one year	910,530	1,013,471
Less: Assets not available to be used within one year:		
Total Assets With Donor Restrictions	696,294	197,350
Assets With Donor Restrictions to be met within a year	<u>(596,294)</u>	<u>(178,600)</u>
Assets not available to be used within one year	<u>100,000</u>	<u>18,750</u>
Financial assets available for general expenditures within one year	<u>\$ 810,530</u>	<u>\$ 994,721</u>

As part of AIFC's liquidity plan, AIFC has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. AIFC also maintains a \$100,000 credit line to aid in liquidity.

8. Cash Flow Operating Adjustments

Adjustments to reconcile Change in Net Assets to Net Cash (Used) by Operating Activities were as follows as of:

	<u>June 30,</u>	
	<u>2021</u>	<u>2020</u>
Depreciation Expense	\$ 25,367	\$ 20,559
PPP Loan Forgiveness	(257,300)	-
Grants and Contracts Receivable	(112,500)	-
Increase (Decrease) in Current Liabilities:		
Accounts Payable	(11,231)	(14,764)
Accrued Salaries and Vacation	(8,883)	50,514
Other Accrued Expenses	(29,007)	14,436
Refundable Advance	(12,500)	(1,759)
Decrease (Increase) in Current Assets:		
Grants and Contracts Receivable	(249,274)	(61,775)
Prepaid Expense	<u>20,907</u>	<u>(10,088)</u>
Total Adjustments	<u>\$ (634,421)</u>	<u>\$ (2,877)</u>