

# **American Indian Family Center**

St. Paul, Minnesota

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Financial Statements  
Auditor's Report  
For the Years Ended  
June 30, 2022 and 2021



**CERTIFIED PUBLIC ACCOUNTANTS**

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### 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, 2022 and 2021, 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, Foert & Associates, LLP  
Certified Public Accountants

Minneapolis, Minnesota  
May 21, 2024

AMERICAN INDIAN FAMILY CENTER  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022		2021	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
<b>Support and Revenue:</b>				
Contributions	\$ 237,806	\$ 238,488	\$ 389,750	\$ 680,000
Government Grants and Contracts	2,774,277	-	2,320,726	-
Other Revenue	3,889	-	1,358	-
Net Assets Released from Restrictions:				
Satisfaction of Purpose Restrictions	573,093	(573,093)	181,056	(181,056)
Total Support and Revenue	3,589,065	(334,605)	2,892,890	498,944
		Total		Total
		\$ 476,294		\$ 1,069,750
		2,774,277		2,320,726
		3,889		1,358
		-		-
		3,254,460		3,391,834
		-		-
		555,351		521,436
		1,244,733		1,131,411
		903,842		800,013
Total Program Services	2,703,926	-	2,452,860	-
<b>Support Services:</b>				
Management and General	659,256	-	592,070	-
Fundraising	87,181	-	64,698	-
Total Support Services	746,437	-	656,768	-
Total Expense	3,450,363	-	3,109,628	-
Change in Net Assets	138,702	(334,605)	(216,738)	498,944
Net Assets - Beginning of Year	478,736	696,294	695,474	197,350
Net Assets - End of Year	\$ 617,438	\$ 361,689	\$ 478,736	\$ 696,294
		\$ 979,127		\$ 1,175,030

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, 2022 WITH COMPARATIVE TOTALS FOR 2021

	2022						2021		
	Program Services			Support Services			Total Support Services	Total All Services	Total All Services
	Family and Youth Services	Behavioral Health Services	Community Development Services	Management and General	Fundraising	Program Services			
Total Personnel Costs	\$ 414,031	\$ 901,126	\$ 535,805	\$ 511,450	\$ 73,064	\$ 1,850,962	\$ 584,514	\$ 2,435,476	\$ 2,207,380
Client Services:									
Housing Support	-	75,490	168,027	-	-	243,517	-	243,517	194,115
Program Supplies	49,963	55,515	79,571	-	-	185,049	-	185,049	274,937
Incentives	31,828	6,701	17,310	-	-	55,839	-	55,839	39,384
Work Support	-	-	24,472	-	-	24,472	-	24,472	12,216
Transportation	-	-	22,388	-	-	22,388	-	22,388	12,567
Food Support	13,403	-	-	-	-	13,403	-	13,403	8,188
Professional Fees	11,779	134,277	16,490	70,672	2,356	162,546	73,028	235,574	196,652
Occupancy	9,778	21,185	10,864	8,147	4,346	41,827	12,493	54,320	32,279
Office Expenses	10,623	13,856	9,237	7,851	4,619	33,716	12,470	46,186	36,927
Insurance	8,788	14,780	8,388	5,193	2,796	31,956	7,989	39,945	30,331
Professional Development	3,246	18,500	10,711	-	-	32,457	-	32,457	22,113
Miscellaneous Expense	-	-	-	27,453	-	-	27,453	27,453	10,036
Mileage and Travel	1,912	3,303	579	-	-	5,794	-	5,794	4,413
Bank Fees and Interest	-	-	-	1,662	-	-	1,662	1,662	2,257
Depreciation	-	-	-	26,828	-	-	26,828	26,828	25,833
Total Expense	\$ 555,351	\$ 1,244,733	\$ 903,842	\$ 659,256	\$ 87,181	\$ 2,703,926	\$ 746,437	\$ 3,450,363	\$ 3,109,628

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

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

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

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

AMERICAN INDIAN FAMILY CENTER  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 82,640	\$ 141,427
Grants and Contracts Receivable - Net	868,569	769,103
Prepaid Expense	67,433	69,607
Total Current Assets	<u>1,018,642</u>	<u>980,137</u>
Grants and Contracts Receivable	-	112,500
Property and Equipment - Net	<u>227,804</u>	<u>245,789</u>
 TOTAL ASSETS	 <u>\$ 1,246,446</u>	 <u>\$ 1,338,426</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 80,053	\$ 33,356
Accrued Salaries and Vacation	146,804	117,694
Other Accrued Expenses	12,219	8,529
Funds Held for Others	28,243	-
Refundable Advance	-	3,817
Total Current Liabilities	<u>267,319</u>	<u>163,396</u>
Net Assets:		
Without Donor Restrictions		
Undesignated	610,956	472,254
Board Designated-Scholarships	6,482	6,482
Total Without Donor Restrictions	<u>617,438</u>	<u>478,736</u>
With Donor Restrictions	<u>361,689</u>	<u>696,294</u>
Total Net Assets	<u>979,127</u>	<u>1,175,030</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,246,446</u>	 <u>\$ 1,338,426</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, 2022 AND 2021

<u>Increase (Decrease) in Cash</u>	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities:</b>		
Change in Net Assets	\$ (195,903)	\$ 282,206
Total Adjustments	145,959	(634,421)
Net Cash (Used) by Operating Activities	<u>(49,944)</u>	<u>(352,215)</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of Property and Equipment	<u>(8,843)</u>	<u>-</u>
Net Cash (Used) by Investing Activities	(8,843)	-
<b>Cash Flows from Financing Activities:</b>		
None	<u>-</u>	<u>-</u>
Net (Decrease) in Cash	(58,787)	(352,215)
Cash-Beginning of Year	<u>141,427</u>	<u>493,642</u>
Cash -End of Year	<u>\$ 82,640</u>	<u>\$ 141,427</u>

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

AMERICAN INDIAN FAMILY CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

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 generals. 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  
Wakanyeja 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, 2022 AND 2021

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.

New Accounting Pronouncement

AIFC has adopted Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, as management believe the standards improve the usefulness and understandability of the AIFC's financial reporting. The ASU has been applied retrospectively for the years ended June 30, 2022 and 2021, as required.

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 \$- and \$70,152 for the periods ended June 30, 2022 and 2021, respectively. The outstanding balance of Grants and Contracts Receivable at June 30, 2022 was collected in the next 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.

Funds Held for Others

AIFC is a fiscal sponsor for a third party entity. Only the cash held and the corresponding liability are recorded in the financial statements.

Functional Allocation of Expense

Salaries and related expenses are allocated on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting service, are allocated based on the best estimates of management.

AMERICAN INDIAN FAMILY CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

1. Summary of Significant Accounting Policies (continued)

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. \$3,817 was recorded as a refundable advance in the year ending June 30, 2021. AIFC received a \$257,300 PPP SBA loan in the year ending June 30, 2020. The loan was forgiven and included in Government Grants and Contracts revenue in the year ending June 30, 2021.

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).

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 May 21, 2024, which is the date financial statements were available to be issued.

AMERICAN INDIAN FAMILY CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

2. Financial Instruments

Significant Concentrations of Credit Risk

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

3. Property and Equipment

AIFC owned the following assets as of:

	June 30,		Estimated Useful Lives
	2022	2021	
Land	\$ 15,000	\$ 15,000	
Building and Improvements	472,430	472,430	6–39 years
Furniture and Equipment	<u>113,688</u>	<u>104,844</u>	5 years
	601,118	592,274	
Less Accumulated Depreciation	<u>373,314</u>	<u>346,485</u>	
	<u>\$ 227,804</u>	<u>\$ 245,789</u>	

Depreciation expense of \$26,828 and \$25,833 was recorded for the years ended June 30, 2022 and 2021, respectively.

4. Net Assets With Donor Restrictions

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

	June 30,	
	2022	2021
Restrictions that Expire:		
Subject to Expenditures for a Specified Purpose:		
Capacity Building	\$ 157,119	\$ 258,869
Homelessness Prevention	62,185	403,790
Men’s Programming	50,000	-
Professional Development	2,385	8,635
Women and Mothers’ Health	<u>-</u>	<u>25,000</u>
	271,689	696,294
Subject to Expenditures for Future Operations	<u>90,000</u>	<u>-</u>
	<u>\$ 361,689</u>	<u>\$ 696,294</u>

5. Defined Contribution Plan

AIFC maintains a 403(b) defined contribution plan covering all eligible employees. AIFC’s contribution totaled \$75,588 and \$76,434 for the years ended June 30, 2022 and 2021, respectively.

AMERICAN INDIAN FAMILY CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

6. Liquidity and Availability

The following represents the AIFC's financial assets at:

	<u>June 30,</u>	
	<u>2022</u>	<u>2021</u>
Financial Assets:		
Cash	\$ 82,640	\$ 141,427
Grants and Contracts Receivable-Net	<u>868,569</u>	<u>769,103</u>
Financial assets available for general expenditures within one year	951,209	910,530
Less: Assets not available to be used within one year:		
Total Assets With Donor Restrictions	361,689	696,294
Assets With Donor Restrictions to be met within a year	<u>(361,689)</u>	<u>(596,294)</u>
Assets not available to be used within one year	<u>-</u>	<u>100,000</u>
Financial assets available for general expenditures within one year	<u>\$ 951,209</u>	<u>\$ 810,530</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.

7. Cash Flow Operating Adjustments

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

	<u>June 30,</u>	
	<u>2022</u>	<u>2021</u>
Depreciation Expense	\$ 26,828	\$ 25,367
PPP Loan Forgiveness	-	(257,300)
Grants and Contracts Receivable	112,500	(112,500)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	46,697	(11,231)
Accrued Salaries and Vacation	29,110	(8,883)
Other Accrued Expenses	3,690	(29,007)
Funds Held for Others	28,243	-
Refundable Advance	(3,817)	(12,500)
Decrease (Increase) in Current Assets:		
Grants and Contracts Receivable	(99,466)	(249,274)
Prepaid Expense	<u>2,174</u>	<u>20,907</u>
Total Adjustments	<u>\$ 145,959</u>	<u>\$ (634,421)</u>