

# **American Indian Family Center**

St. Paul, Minnesota

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Financial Statements

Auditor's Report

For the Years Ended

June 30, 2024 and 2023



**CERTIFIED PUBLIC ACCOUNTANTS**

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Carpenter, Evert & Associates

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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, 2024 and 2023, 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, 2024 and 2023, 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, Everett & Associates, Ltd.*  
Certified Public Accountants

Minneapolis, Minnesota  
May 14, 2025

AMERICAN INDIAN FAMILY CENTER  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Contributions of Financial Assets	\$ 529,957	\$ 343,800	\$ 873,757	\$ 440,321	\$ 394,300	\$ 834,621
Government Grants and Contracts	4,968,662	-	4,968,662	4,028,744	-	4,028,744
Interest Income	20,839	-	20,839	1,303	-	1,303
Other Revenue	10,035	-	10,035	34	-	34
Net Assets Released from Restrictions:						
Satisfaction of Purpose Restrictions	422,944	(422,944)	-	324,989	(324,989)	-
Satisfaction of Time Restrictions	36,150	(36,150)	-	70,000	(70,000)	-
Total Support and Revenue	5,988,587	(115,294)	5,873,293	4,865,391	(689)	4,864,702
Expense:						
Program Services:						
Family and Youth Services	764,211	-	764,211	666,504	-	666,504
Behavioral Health Services	1,917,400	-	1,917,400	1,464,928	-	1,464,928
Community Development Services	1,454,347	-	1,454,347	1,096,927	-	1,096,927
Total Program Services	4,135,958	-	4,135,958	3,228,359	-	3,228,359
Support Services:						
Management and General Fundraising	629,386	-	629,386	790,892	-	790,892
Total Support Services	280,955	-	280,955	100,363	-	100,363
Total Expense	910,341	-	910,341	891,255	-	891,255
	5,046,299	-	5,046,299	4,119,614	-	4,119,614
Change in Net Assets	942,288	(115,294)	826,994	745,777	(689)	745,088
Net Assets - Beginning of Year	1,363,215	361,000	1,724,215	617,438	361,689	979,127
Net Assets - End of Year	\$ 2,305,503	\$ 245,706	\$ 2,551,209	\$ 1,363,215	\$ 361,000	\$ 1,724,215

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, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024						2023		
	Program Services			Support Services					
	Family and Youth Services	Behavioral Health Services	Community Development Services	Total Program Services	Management and General	Fundraising	Total Support Services	Total All Services	Total All Services
Total Personnel Costs	\$ 496,802	\$ 1,081,275	\$ 642,920	\$ 2,220,997	\$ 438,355	\$ 263,013	\$ 701,368	\$ 2,922,365	\$ 2,655,182
Client Services:									
Housing Support	-	191,185	425,540	616,725	-	-	-	616,725	303,222
Program Supplies	56,431	62,701	89,872	209,004	-	-	-	209,004	170,496
Incentives	74,419	15,667	40,473	130,559	-	-	-	130,559	103,096
Transportation	-	-	121,925	121,925	-	-	-	121,925	70,489
Food Support	70,784	-	-	70,784	-	-	-	70,784	42,855
Work Support	-	-	40,768	40,768	-	-	-	40,768	43,728
Professional Fees	21,201	241,693	29,682	292,576	127,207	4,240	131,447	424,023	393,480
Bad Debt Expense	-	213,676	-	213,676	-	-	-	213,676	8,320
Professional Development	9,379	53,454	30,947	93,780	-	-	-	93,780	48,955
Office Expenses	16,929	22,082	14,721	53,732	12,513	7,361	19,874	73,606	73,919
Occupancy	9,987	21,638	11,096	42,721	8,322	4,439	12,761	55,482	79,859
Insurance	5,977	10,053	5,705	21,735	3,532	1,902	5,434	27,169	42,740
Miscellaneous Expense	-	-	-	-	11,446	-	11,446	11,446	46,870
Mileage and Travel	2,302	3,976	698	6,976	-	-	-	6,976	6,435
Bank Fees and Interest	-	-	-	-	1,184	-	1,184	1,184	3,035
Depreciation	-	-	-	-	26,827	-	26,827	26,827	26,933
Total Expense	\$ 764,211	\$ 1,917,400	\$ 1,454,347	\$ 4,135,958	\$ 629,386	\$ 280,955	\$ 910,341	\$ 5,046,299	\$ 4,119,614

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, 2023

	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	\$ 451,381	\$ 982,417	\$ 584,140	\$ 2,017,938	\$ 557,589	\$ 79,655	\$ 637,244	\$ 2,655,182
Client Services:								
Housing Support	-	93,999	209,223	303,222	-	-	-	303,222
Program Supplies	46,034	51,149	73,313	170,496	-	-	-	170,496
Incentives	58,764	12,372	31,960	103,096	-	-	-	103,096
Transportation	-	-	70,489	70,489	-	-	-	70,489
Food Support	42,855	-	-	42,855	-	-	-	42,855
Work Support	-	-	43,728	43,728	-	-	-	43,728
Professional Fees	19,673	224,284	27,544	271,501	118,044	3,935	121,979	393,480
Bad Debt Expense	-	-	-	-	8,320	-	8,320	8,320
Professional Development	4,896	27,904	16,155	48,955	-	-	-	48,955
Office Expenses	17,001	22,176	14,784	53,961	12,566	7,392	19,958	73,919
Occupancy	14,374	31,145	15,972	61,491	11,979	6,389	18,368	79,859
Insurance	9,403	15,814	8,975	34,192	5,556	2,992	8,548	42,740
Miscellaneous Expense	-	-	-	-	46,870	-	46,870	46,870
Mileage and Travel	2,123	3,668	644	6,435	-	-	-	6,435
Bank Fees and Interest	-	-	-	-	3,035	-	3,035	3,035
Depreciation	-	-	-	-	26,933	-	26,933	26,933
Total Expense	\$ 666,504	\$ 1,464,928	\$ 1,096,927	\$ 3,228,359	\$ 790,892	\$ 100,363	\$ 891,255	\$ 4,119,614

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

AMERICAN INDIAN FAMILY CENTER  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 1,321,883	\$ 901,324
Grants and Contracts Receivable	1,210,127	816,762
Prepaid Expense	74,350	77,802
Total Current Assets	<u>2,606,360</u>	<u>1,795,888</u>
Property-Net	<u>179,596</u>	<u>206,423</u>
TOTAL ASSETS	<u><u>\$ 2,785,956</u></u>	<u><u>\$ 2,002,311</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 65,199	\$ 115,095
Accrued Salaries and Vacation	154,257	139,461
Other Accrued Liabilities	15,291	23,540
Total Current Liabilities	<u>234,747</u>	<u>278,096</u>
Net Assets:		
Without Donor Restrictions		
Undesignated	2,299,021	1,356,733
Board Designated-Scholarships	6,482	6,482
Total Without Donor Restrictions	<u>2,305,503</u>	<u>1,363,215</u>
With Donor Restrictions	<u>245,706</u>	<u>361,000</u>
Total Net Assets	<u>2,551,209</u>	<u>1,724,215</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,785,956</u></u>	<u><u>\$ 2,002,311</u></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, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>Increase (Decrease) in Cash</u>		
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 826,994	\$ 745,088
Depreciation	26,827	26,933
Increases (Decreases) in Operating Liabilities:		
Accounts Payable	(49,896)	35,042
Accrued Salaries and Vacation	14,796	(7,343)
Other Accrued Liabilities	(8,249)	11,321
Funds Held for Others	-	(28,243)
Decreases (Increases) in Operating Assets:		
Grants and Contracts Receivable	(393,365)	51,807
Prepaid Expense	3,452	(10,369)
Net Cash Provided by Operating Activities	<u>420,559</u>	<u>824,236</u>
Cash Flows from Investing Activities:		
Purchase of Property	<u>-</u>	<u>(5,552)</u>
Net Cash (Used) by Investing Activities	-	(5,552)
Cash Flows from Financing Activities:		
None	<u>-</u>	<u>-</u>
Net Increase in Cash	420,559	818,684
Cash-Beginning of Year	<u>901,324</u>	<u>82,640</u>
Cash -End of Year	<u><u>\$ 1,321,883</u></u>	<u><u>\$ 901,324</u></u>

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

AMERICAN INDIAN FAMILY CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

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): Recovery 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 is reported as net assets without donor restrictions.

AMERICAN INDIAN FAMILY CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

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.

Cash and Cash Equivalents

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

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. All grants and contracts receivable are considered collectible in the next fiscal year.

Property

All major expenditures for property over \$5,000 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. No refundable advances exist for the years ended June 30, 2024 and 2023.

AMERICAN INDIAN FAMILY CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

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.

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 14, 2025, which is the date financial statements were available to be issued.

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.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

At June 30, 2024 and 2023, AIFC held funds at a local financial institution in excess of federally insured limits.

AMERICAN INDIAN FAMILY CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

3. Property

AIFC owned the following assets as of:

	<u>June 30,</u>		<u>Estimated Useful Lives</u>
	<u>2024</u>	<u>2023</u>	
Land	\$ 15,000	\$ 15,000	
Building and Improvements	472,430	472,430	6–39 years
Furniture and Equipment	119,239	119,239	5 years
	<u>606,669</u>	<u>606,669</u>	
Less Accumulated Depreciation	427,073	400,246	
	<u>\$ 179,596</u>	<u>\$ 206,423</u>	

Depreciation expense of \$26,827 and \$26,933 was recorded for the years ended June 30, 2024 and 2023, respectively.

4. Net Assets With Donor Restrictions

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

	<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
Restrictions that Expire:		
Subject to Expenditures for a Specified Purpose:		
Housing Services	\$ 175,000	\$ 175,000
Employment Services	4,556	74,000
Parent Support	-	67,000
Facility Development	-	25,000
	<u>179,556</u>	<u>341,000</u>
Subject to Expenditures for Future Operations	66,150	20,000
	<u>\$ 245,706</u>	<u>\$ 361,000</u>

5. Defined Contribution Plan

AIFC maintains a 403(b) defined contribution plan covering all eligible employees. AIFC's contribution totaled \$115,983 and \$105,355 for the years ended June 30, 2024 and 2023, respectively.

AMERICAN INDIAN FAMILY CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

6. Liquidity and Availability

The following represents the AIFC's financial assets at:

	<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
Financial Assets:		
Cash	\$ 1,321,883	\$ 901,324
Grants and Contracts Receivable	<u>1,210,127</u>	<u>816,762</u>
Financial assets available for general expenditures within one year	2,532,010	1,718,086
Less: Assets not available to be used within one year:		
Total Assets With Donor Restrictions	245,706	361,000
Assets With Donor Restrictions to be met within a year	<u>(220,706)</u>	<u>(273,500)</u>
Assets not available to be used within one year	<u>25,000</u>	<u>87,500</u>
Financial assets available for general expenditures within one year	<u>\$ 2,507,010</u>	<u>\$ 1,630,586</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.