ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.

December 31, 2022

Financial Statements and
Independent Auditors' Report

ASSOCIATION ON
AMERICAN INDIAN AFFAIRS
1922 YEARS 2022

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.

December 31, 2022

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Association on American Indian Affairs, Inc.
6030 Daybreak Circle, Suite A150-217
Clarksville, MD 21029

Opinion

We have audited the accompanying financial statements of Association on American Indian Affairs, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 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 Association on American Indian Affairs, Inc. as of December 31, 2022 and 2021, 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 Association on American Indian Affairs, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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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 Association on American Indian Affairs, Inc.'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 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 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, 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 Association on American Indian Affairs, 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 Association on American Indian Affairs, 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.

GBB & Company, LLP

Allentown, PA
March 6, 2023

Association on American Indian Affairs, Inc.
Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 1,154,374	$ 735,205
Cash and Cash Equivalents - Endowment	8,119	17,361
Investments - Endowment	605,564	715,150
Accounts Receivable	153,976	188,890
Prepaid Expenses	614	4,947
Total Current Assets	1,922,647	1,661,553
Fixed Assets		
Furniture and Equipment	1,000	1,000
Less: Accumulated Depreciation	(1,000)	(1,000)
Net Fixed Assets	-	-
Total Assets	$ 1,922,647	$ 1,661,553
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	$ 10,109	$ 2,565
Accrued Expenses	42,995	37,659
Total Current Liabilities	53,104	40,224
Net Assets		
With Donor Restrictions	724,526	1,029,734
Without Donor Restrictions	1,145,017	591,595
	1,869,543	1,621,329
Total Liabilities and Net Assets	$ 1,922,647	$ 1,661,553

See independent auditors' report.
The accompanying notes are an integral part of the financial statements.

Association on American Indian Affairs, Inc.
Statements of Activities
For the Years Ended December 31, 2022 and 2021

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues, Gains, and Other Support				
Contributions, Grants, and Dues	$ 963,392	$ 6,000	$ 969,392	$ 826,800
Conference Revenue	89,725	-	89,725	59,700
Investment Income, net of fees of $6,287	658	16,514	17,172	9,756
Media Sales	6,935	-	6,935	5,424
Consulting Income	-	-	-	4,444
Realized (Losses) Gains on Investments	-	(293)	(293)	29,078
Unrealized (Losses) Gains on Investments	-	(134,832)	(134,832)	54,791
Net Assets Released from Restrictions				
Satisfaction of Program Restrictions	192,597	(192,597)	-	-
Total Revenues, Gains, and Other Support	1,253,307	(305,208)	948,099	989,993
Operating Expenses				
Program Services:				
Cultural Sovereignty	213,778	-	213,778	163,558
The Next Generation	150,629	-	150,629	90,993
Building Allyship	247,305	-	247,305	222,202
Total Programs Services	611,712	-	611,712	476,753
General and Administration	84,171	-	84,171	91,347
Fundraising	4,002	-	4,002	4,341
Total Operating Expenses	699,885	-	699,885	572,441
Change in Net Assets	553,422	(305,208)	248,214	417,552
Net Assets, January 1	591,595	1,029,734	1,621,329	1,203,777
Net Assets, December 31	$ 1,145,017	$ 724,526	$ 1,869,543	1,621,329

See independent auditors' report.
The accompanying notes are an integral part of the financial statements.

Association on American Indian Affairs, Inc.
Statements of Functional Expenses
For the Years Ended December 31, 2022 and 2021

	Program Services				Supporting Services		2022	2021
	Cultural Sovereignty	The Next Generation	Building Allyship	Total Program	General & Administration	Development/ Fundraising	Total	Total
Expenses								
Salaries	$ 105,719	$ 33,426	$ 155,947	$ 295,092	$ 44,822	$ 1,440	$ 341,354	$ 298,484
Payroll Taxes	9,416	3,948	5,326	18,690	6,507	216	25,413	21,422
Employee Benefits	12,012	4,673	9,911	26,596	7,997	163	34,756	28,469
Total Employment Expense	127,147	42,047	171,184	340,378	59,326	1,819	401,523	348,375
Accounting	9,773	3,258	14,659	27,690	4,887	-	32,577	42,821
Insurance	-	-	-	-	5,255	-	5,255	5,177
Grants	2,143	8,243	714	11,100	-	-	11,100	6,104
Scholarships	-	38,000	-	38,000	-	-	38,000	30,000
Meetings and Conferences	43,257	11	3,152	46,420	799	-	47,219	-
Occupancy	-	-	-	-	1,176	-	1,176	5,455
Contracted Services	2,378	52,395	33,473	88,246	2,746	-	90,992	78,260
Office Expenses	15,596	4,038	9,959	29,593	5,843	1,438	36,874	51,115
Bank Fees	-	-	-	-	3,026	396	3,422	4,360
Travel	13,484	2,637	14,164	30,285	1,113	349	31,747	774
Total Expenses	$ 213,778	$ 150,629	$ 247,305	$ 611,712	$ 84,171	$ 4,002	$ 699,885	$ 572,441

See independent auditors' report.
The accompanying notes are an integral part of the financial statements.

Association on American Indian Affairs, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Increase in Net Assets	$ 248,214	$ 417,552
Adjustment to Reconcile Changes in Net Assets to		
Net Cash Provided by Operating Activities		
Realized Losses (Gains) on Investments	293	(29,078)
Unrealized Losses (Gains) on Investments	134,832	(54,791)
Other Investment income	(16,514)	(9,205)
Changes in Other Assets and Liabilities		
Accounts Receivable	34,914	(38,890)
Prepaid Expenses	4,333	(2,807)
Other Assets	-	1,150
Accounts Payable	7,544	(55)
Accrued Expenses	5,336	7,440
Net Cash Provided by Operating Activities	418,952	291,316
Cash Flows from Investing Activities		
Proceeds from Sale of Investments	118,600	104,298
Purchase of Investments	(127,625)	(86,463)
Net Cash (Used In) Provided By Investing Activities	(9,025)	17,835
Net Increase in Cash and Cash Equivalents	409,927	309,151
Cash and Cash Equivalents on January 1	752,566	443,415
Cash and Cash Equivalents on December 31	$ 1,162,493	$ 752,566
Supplemental Information		
Interest Paid	$ -	$ -
Income Taxes Paid	$ -	$ -

See independent auditors' report.
The accompanying notes are an integral part of the financial statements.

NOTE 1 NATURE OF ORGANIZATION

The Association on American Indian Affairs, Inc. (the Association) is the oldest non-profit serving Indian Country protecting sovereignty, preserving culture, educating youth, and building capacity. The Association was formed in 1922 to change the destructive path of federal policy from assimilation, termination, and allotment to sovereignty, self-determination, and self-sufficiency. Throughout its 100-year history, the Association has provided national advocacy on watershed issues that support sovereignty and culture, while working on the ground at a grassroots level with Native Nations and Indigenous Peoples to support the implementation of programs that affect lives on the ground.

The Association is governed by an all-Native American Board of Directors and Chief Executive from across Indian Country. As a public membership organization, the Association speaks with unified voices from all over the country, both Native and non-Native together, to create a world where diverse Native American cultures and values are lived, protected, and respected. The Association does not accept federal funding.

Programs Administered by the Association

Cultural Sovereignty
The Association's Cultural Sovereignty Programs include efforts towards the return and repatriation of Native American tangible and intangible cultural heritage that has been stolen and looted domestically and internationally; and the protection of the Sacred, which includes Sacred Places, animals, plants, foods, medicines, water, air and soil, as well as land back and treaty rights protection efforts.

The Next Generation
The Association has been providing grants and other assistance to strengthen and build our next generation of advocates and wisdom keepers. The Association is the oldest scholarship provider to Native students since 1947; and has been providing funding for summer youth programming since 1963.

Maintaining and healing our families is also paramount to our Next Generation programs. The Association began its advocacy in Indian child welfare issues in the 1960s and its research and advocacy directly led to the enactment of the Indian Child Welfare Act of 1978 – which is currently under attack by deep pockets. Through litigation, technical assistance, research and education, the Association is fighting to protect the integrity of Native families.

The Association also is working to build community and culturally appropriate resources in our youth justice programs to keep youth in school and out of detention and incarceration.

NOTE 1 NATURE OF ORGANIZATION – continued

Building Allyship

Building Allyship is the Association's public education programming. We know our world cannot change unless we all understand the importance of Indigenous Peoples rights and values are to sustaining our world. The Association provides public education on Native American history, law and policy, develops partnerships with Native Nations, Organizations, and entities and works to answer questions and concerns about being a better ally and advocate. The Association also produces a Native News and Talk Show called "Red Hoop Talk" that highlights Indigenous Peoples from all over Indian Country that work to protect their Nations and make the world a better place. The Association further provides education about missing and murdered Indigenous Peoples, boarding schools, federal acknowledgement, language, climate change, and other urgent issues that arise.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recorded when rights to receive are earned, or when services have been provided, and expenditures are recorded when obligation to pay is incurred.

Financial Statement Presentation

The financial statements of the Association are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"); (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Association classifies the net assets and changes in net assets as follows:

> 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 Association. The Association's board may designate assets without restrictions for specific operational purposes from time to time.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenues are reported 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 restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Revenue Recognition

The Association 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.

The Association recognizes revenue from conference registrations and conference sponsorships at the time the conference is held.

The endowment investment activity is recorded as "with donor restrictions" until the restricted purpose is met.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers cash and cash equivalents to include all cash accounts held in banks and other financial institutions with original maturities of three months or less.

Investments

The financial Accounting and Standard Board issued Staff Position No. FAS 117-1, Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds, now included in Financial Accounting

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Standards Board Accounting Standards Codification (FASB ASC) Section 958-205-50. ASC 958-205-50 provides guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). ASC 958-205-50 also improves disclosures about an organization's endowment funds (both donor restricted and board designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of New York adopted its version of UPMIFA (NYUPMIFA) on September 17, 2010. The Association adopted ASC 958-205-50 effective with the year ended December 31, 2012. The Board of Directors has determined that the donor-restricted endowment funds (see Note 10) meets the definition of an endowment fund under NYUPMIFA.

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Accounts Receivable

Accounts receivable is stated at the amount management expects to collect from outstanding balances. The Association considers receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they are charged to operations when that determination is made. At December 31, 2022 and 2021, accounts receivable had a balance of $153,976 and $188,890, respectively.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair market value at the date of donation. Items with an original cost or fair market value at the date of donation of less than $2,500 are expensed when incurred. Depreciation is provided using the straight-line method over the useful lives of the assets, which range from five to seven years. All assets are fully depreciated as of December 31, 2022.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 vary from those estimates.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Vacation Accrual

Permanent employees shall earn annual leave at the rate of one (1) day per month for the first year; one and one-fourth (1¼) days per month the second year; one and one-half (1½) days per month the third year; and twenty (20) days per year after the third year.

Annual leave is accrued from initial date of employment but is not available for use until satisfactory completion of the probationary period (three months), except where specially approved by the Chief Executive Officer. An employee may accrue annual lave from one year to the next year. The amount of annual leave that may be carried over shall not exceed 80 hours.

Fair Value of Financial Instruments

The Association believes that the carrying value of its financial instruments approximates their fair values in accordance with FASB Accounting Standards Codification 820, Fair Value Measurements and Disclosures (ASC 820). ASC 820 applies to all financial assets and liabilities that are being measured and reported on a fair value basis and requires such assets and liabilities to be classified and disclosed in one of the following three categories to enable readers of the financial statements to assess the inputs used to develop those measurements:

Level 1 Quoted marked prices unadjusted in active markets for identical assets or liabilities.

Level 2 Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 Unobservable inputs that are not corroborated by market data.

The financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Association uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers nonperformance risk in its assessment of fair value.

Level 2 and 3 methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. The Association had no Level 2 or 3 investments during the years ended December 31, 2022 or 2021. Furthermore, if the Association has Level 2 or 3 investments in the future, management believes its valuation methods are appropriate and consistent with other market participants. It is still possible

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

that the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. See Note 3.

Income Taxes

The Association qualifies for exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Income generated by activities that would be considered unrelated to the Association's mission would be subject to tax which, if incurred, would be recognized as a current expense. No such tax has been recognized as of December 31, 2022 or 2021.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association. Management has analyzed the tax positions taken and has concluded that as of December 31, 2022, all tax positions taken or expected to be taken would more likely than not be sustained upon examination. For tax purposes, the open audit years are 2019 – 2021.

Functional Expenses

The Association's operating costs have been allocated between program, general and administration, and fundraising expenses based on direct identification when possible, and allocation if a single expenditure benefits more than one program or function. The expenses that are allocated are salaries, payroll taxes, and employee fringe benefits which are allocated on the basis of estimates of time and effort determined by management. General and administrative costs are being allocated based on total expenses by program.

Comparative Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2021, from which the summarized information was derived. Certain amounts in the prior year financial statements have been reclassified for comparison purposes to conform to the current year presentation.

New Accounting Pronouncements

Effective January 1, 2020, the Association adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers. Under the new revenue recognition standard, revenue is recognized when obligations under the terms of a contract with the customer are satisfied; generally, this

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

occurs with the transfer of control of goods at a point in time based on shipping terms and transfer of title. Revenue is measured as the amount of consideration expected to be received in exchange for transferring goods. Sales, value add, and other taxes collected concurrent with revenue-producing activities are excluded from revenue. The Association does not expect a material impact to its statements of financial position and Statement of Activities on an ongoing basis from the adoption of the new standard.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard was effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASU 2016-02 one year, making it effective for annual reporting periods beginning after December 15, 2021. The Association is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

NOTE 3 INVESTMENTS

The Association's investments at December 31, 2022 and 2021 consist of the following:

	2022	2021
Fixed Income	$ 209,400	$ 200,229
Equities	396,164	514,921
Total Investments	$ 605,564	$ 715,150

The investment income reported in the statement of activities is as follows:

	2022	2021
Interest and Dividend Income	$ 22,801	$ 13,195
Realized and Unrealized Gains	(135,125)	83,869
Investment Management Fees	(6,287)	(3,439)
Total Investment Income, Net	$ 118,611	$ 93,625

NOTE 3 INVESTMENTS – continued

Fair Value Measurements

Information related to the Association's assets measured at fair value on a recurring basis at December 31, 2022 and 2021 are as follows:

		FAIR VALUE MEASUREMENTS USING		
12/31/2022	**Fair Value**	**(Level 1)**	**(Level 2)**	**(Level 3)**
Fixed Income	$ 209,400	$ 209,400	$ -	$ -
Equities	396,164	396,164	-	-
Total Investments	$ 605,564	$ 605,564	$ -	$ -

		FAIR VALUE MEASUREMENTS USING		
12/31/2021	**Fair Value**	**(Level 1)**	**(Level 2)**	**(Level 3)**
Fixed Income	$ 200,229	$ 200,229	$ -	$ -
Equities	514,921	514,921	-	-
Total Investments	$ 715,150	$ 715,150	$ -	$ -

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

NOTE 4 COMPENSATED ABSENCES

Accumulated unpaid personal time off is recognized as liabilities of the Association. The liability is recognized in the program to which the liability relates. The total liability for personal time off was $11,041 and $6,452 at December 31, 2022 and 2021, respectively.

NOTE 5 DONATED GOODS AND SERVICES

Contributions of donated goods and services are recorded at fair value in the period received. Donated goods and services totaled $43,217 and $0 for the years ended December 31, 2022 and 2021, respectively.

NOTE 6 CONCENTRATION RISKS

Cash held by the Association in bank accounts may at times exceed the Federal Deposit Insurance Corporation (FDIC) coverage limit. Management believes the Association is not exposed to any significant credit risk related to cash.

NOTE 6 CONCENTRATION RISKS – continued

The Association invests in a professionally managed portfolio that contains fixed income and equities. Such investments are exposed to various risks such as interest rate, and market and credit risks. It is reasonably possible that changes in values of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Two donors represented approximately 26% of total revenue in the year ended December 31, 2022.

One donor represented approximately 15% of total revenue in the year ended December 31, 2021.

NOTE 7 PENSION PLAN

The Association has an Employee Savings Plan which was approved by the Board of Directors. It is available for full time employees. The Association shall provide a matching contribution of at least 1% of salary for employees who earn at least $5,000 or which is required by law. Retirement plan contributions for the years ended December 31, 2022 and 2021 were $8,450 and $5,086, respectively.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2022 and 2021, the Association's donor-restricted net assets consisted of the following:

	12/31/2021	Additions	Releases	12/31/2022
Juvenile Justice	$ 69,391	-	$ (26,648)	$ 42,743
Medicine Wheel	4,457	-	-	4,457
Adoption Project	33,598	-	(95)	33,503
Summer Camps	-	6,000	(6,000)	0
National Summer Camps	97,900	-	(51,613)	46,287
Scholarships-University of Michigan	66,806	-	-	66,806
Time Restricted	67,000	-	(67,000)	0
Donor-restricted endowments, available for appropriation for the following purposes:				
Scholarships	690,582	(118,611)	(41,241)	530,730
Total	$1,029,734	$ (112,611)	$ (192,597)	$ 724,526

NOTE 9 ENDOWMENTS

The Association's endowment is composed of three donor-restricted endowment funds. These funds are reported as net assets with donor restrictions (scholarships) in the accompanying financial statements. Income from these funds is available to support the purpose of each endowment as follows:

- The Elizabeth and Sherman Asche Memorial Scholarship Fund – student scholarships.
- The Homborg Scholarship Fund – Scholarships for American Indian girls.
- The Mary Hemenway Memorial Fund – Education of American Indians, preferably at the college or graduate school level, either by way of scholarship grants or such other ways as the Association's Board of Directors may from time to time decide.

Below are the amounts of the original gifts for each endowment fund:

	2022	2021
The Elizabeth and Sherman Asche Memorial Scholarship Fund	$ 237,250	$ 237,250
The Homborg Scholarship Fund	142,000	142,000
The Mary Hemenway Memorial Fund	175,280	175,280
Total	$ 554,530	$ 554,530

The activity in the Association's donor-restricted endowment funds for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Endowment, Beginning of Year	$ 690,582	$ 632,340
Contributions	-	100
Investment Activity	(118,611)	93,074
Appropriations	(41,241)	(34,932)
Endowment, End of Year	$ 530,730	$ 690,582

NOTE 10 LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Association's financial policy is to have enough liquid financial assets available to cover at least six months of operating expenses. The Association has $1,308,350 of financial assets available to meet cash needs for general operating expenditures as of December 31, 2022, which represents twenty-two months of operating expenses. The financial assets consist of cash and accounts receivables. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year.

NOTE 11 SUBSEQUENT EVENTS

Management has evaluated the need for disclosures and/or adjustments resulting from subsequent events through March 6, 2023, which is the date the financial statements were available to be issued. Based on this evaluation, no adjustments were required to the financial statements as of December 31, 2022.