

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.

TABLE OF CONTENTS

	Pages
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statement of Activities and Changes in Net Assets (With summarized totals for the year ended December 31, 2014)	3
Statements of Cash Flows	4
Notes to Financial Statements	5-11
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION	12
SUPPLEMENTAL INFORMATION	
Schedule of Functional Expenses	13
Comparative Income Data	14
Comparative Expense Data	15

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Association on American Indian Affairs, Inc.
Rockville, Maryland

We have audited the accompanying financial statements of **ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.** (a non-profit organization) as of December 31, 2015 and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2015, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Sioux Falls, South Dakota
November 1, 2016

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2015 AND 2014

ASSETS

	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 63,067	\$ 51,036
Investments in marketable securities	-	253,927
Grants and contracts receivable	5,600	53,124
Contributions receivable	-	25,732
Other receivables	-	12,708
Prepaid expenses	<u>6,528</u>	<u>10,224</u>
Total current assets	75,195	406,751
PROPERTY AND EQUIPMENT		
Furniture and equipment	26,371	26,371
Less accumulated depreciation	<u>(22,394)</u>	<u>(17,556)</u>
Net Property and equipment	<u>3,977</u>	<u>8,815</u>
OTHER ASSETS		
Investments - endowments	501,856	652,853
Security deposits	<u>1,150</u>	<u>1,150</u>
Total other assets	<u>503,006</u>	<u>654,003</u>
	<u>\$ 582,178</u>	<u>\$ 1,069,569</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 53,188	\$ 37,300
Accrued wages	3,522	3,473
Other accruals	2,675	231
Accrued vacation	<u>5,088</u>	<u>24,051</u>
Total current liabilities	64,473	65,055
NET ASSETS		
Unrestricted	(179,845)	145,591
Temporarily restricted	44,727	206,100
Permanently restricted	<u>652,823</u>	<u>652,823</u>
Total net assets	<u>517,705</u>	<u>1,004,514</u>
	<u>\$ 582,178</u>	<u>\$ 1,069,569</u>

See accompanying notes to financial statements.

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2015

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014)

	2015			<u>Total</u>	<u>2014</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>		
Revenues, gains and other support					
Contributions and dues	\$ 145,878	\$ -	\$ -	\$ 145,878	\$ 123,093
Legacies	8,970	-	-	8,970	29,092
Grants	-	102,500	-	102,500	381,351
Consulting	7,500	39,435	-	46,935	82,685
Investment income	1,729	13,646	-	15,375	18,557
Media sales	900	-	-	900	3,569
Other income	9,274	-	-	9,274	2,293
In-kind contributions	-	-	-	-	29,552
Realized gains (losses) on investments	7,625	60,175	-	67,800	91,312
Unrealized gains (losses) on investments	(79,233)	-	-	(79,233)	(67,076)
Net assets released from restrictions					
Satisfaction of restrictions	<u>377,129</u>	<u>(377,129)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	479,772	(161,373)	-	318,399	694,428
Expenses					
Programs	542,543	-	-	542,543	568,120
General and administrative	75,425	-	-	75,425	89,904
Fund raising	<u>187,240</u>	<u>-</u>	<u>-</u>	<u>187,240</u>	<u>214,141</u>
Total expenses	<u>805,208</u>	<u>-</u>	<u>-</u>	<u>805,208</u>	<u>872,165</u>
Change in net assets	<u>\$ (325,436)</u>	<u>\$ (161,373)</u>	<u>\$ -</u>	<u>\$ (486,809)</u>	<u>\$ (177,737)</u>
Net Assets, beginning of year	\$ 145,591	\$ 206,100	\$ 652,823	\$ 1,004,514	\$ 1,182,251
Change in net assets	<u>(325,436)</u>	<u>(161,373)</u>	<u>-</u>	<u>(486,809)</u>	<u>(177,737)</u>
Net Assets, end of year	<u>\$ (179,845)</u>	<u>\$ 44,727</u>	<u>\$ 652,823</u>	<u>\$ 517,705</u>	<u>\$ 1,004,514</u>

See accompanying notes to financial statements.

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (486,809)	\$ (177,737)
Adjustments to reconcile to net cash provided by operating activities		
Net realized and unrealized gains and losses on investments	11,433	(24,236)
Loss on disposal of assets	-	3,235
Depreciation	4,838	7,855
Changes in operating assets and liabilities		
Grants receivable	47,524	(49,926)
Contributions receivable	25,732	(8,935)
Other receivables	12,708	(12,708)
Prepaid expenses	3,696	(3,697)
Accounts payable	15,888	37,187
Accrued wages	49	(7,478)
Other accruals	2,444	(716)
Accrued vacation	<u>(18,963)</u>	<u>10,055</u>
Net cash used by operating activities	(381,460)	(227,101)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment sales and maturities	519,937	401,161
Investment purchases	<u>(126,446)</u>	<u>(379,319)</u>
Net cash provided by investing activities	<u>393,491</u>	<u>21,842</u>
Change in cash	12,031	(205,259)
CASH, beginning of year	<u>51,036</u>	<u>256,295</u>
CASH, end of year	<u>\$ 63,067</u>	<u>\$ 51,036</u>

See accompanying notes to financial statements.

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.**NOTES TO FINANCIAL STATEMENTS****1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES****a. Nature of Organization**

The Association on American Indian Affairs, Inc. (the Association or AAIA) is an independent organization established for the purpose of assisting American Indian and Alaska Native communities in their efforts to achieve full economic, social and civic equality, and to defend their rights.

b. Accounting Basis and Financial Statement Presentation

AAIA prepares its financial statements on the accrual basis of accounting. Under this method of accounting, revenue is recognized when earned or billed, and expenses are recognized when the related goods or services are received.

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, AAIA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

c. Revenue Recognition

Contributions, dues and other revenues are recognized when a donor makes a promise to give to the Association that is, in substance, unconditional. The Association reports such revenue as restricted support if received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Legacies that are received with donor stipulations are recorded as either temporarily or permanently restricted net assets, depending on the nature of the stipulations. The income on the permanently restricted net assets is recorded as temporarily restricted net assets until the restricted purpose is met. Temporarily restricted net assets are reclassified as unrestricted net assets when the donor restriction has been satisfied and reported in the statement of activities as net assets released from restrictions.

Investment appreciation (depreciation) is recorded as unrestricted net assets.

The Association uses the allowance method to determine uncollectible contributions and grants receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. All of the grants, contracts and contributions receivable reported in the accompanying financial statements are expected to be collected within one year. Management believes that all items are collectible. Accordingly, no allowance for uncollectible accounts has been recorded for the years ended December 31, 2015 or 2014.

d. Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Association has designated money fund shares in the investment account as cash equivalents in determining the net change in cash.

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.**NOTES TO FINANCIAL STATEMENTS****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****e. Investments**

The Financial Accounting and Standards Board issued Staff Position No. FAS 117-1, Endowments of Non-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 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 funds making up the permanently restricted net assets (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.

f. 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.

The Association is subject to routine examination by the IRS and state tax jurisdictions. There are currently no examinations in progress. AAIA believes that they are no longer subject to examination for years prior to 2012.

AAIA has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Association has analyzed tax positions taken for filing with the Internal Revenue Service and all state tax jurisdictions where it operates and believes that its income tax positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Association's financial condition, results of operations or cash flows. Accordingly, the Association has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2015 or 2014.

The Organization's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.**NOTES TO FINANCIAL STATEMENTS****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****g. Fair Value**

The carrying amounts reflected in the financial statements for cash and cash equivalents, approximate the respective fair values due to the short nature of those instruments.

In accordance with Accounting Standards Codification, AAIA has categorized its financial instruments based on the priority of inputs to the valuation technique into a three-tier fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on the unadjusted quoted prices for identical assets in an active market the Association has the ability to access.

Level 2. These are investments where values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the investments.

Level 3. These are investments where values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect assumptions of management about assumptions market participants would use in pricing the investments. These investments include non-readily marketable securities that do not have an active market.

h. 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.

i. 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 \$1,000 are expensed when incurred. Depreciation is provided using the straight-line method over the useful lives of the assets, which range from five to ten years. Depreciation expense for the years ended December 31, 2015 and 2014 was \$4,838 and \$7,855 respectively.

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Association have been summarized on a functional and object classification basis in the supplemental schedule of functional expenses. Certain costs have been allocated among the programs and supporting services benefited.

Fund raising expenses in connection with direct mail and other appeals are allocated to supporting services only. Fund raising expenses on the schedule of functional expenses principally consist of: salaries, travel, meetings, printing costs, postage and mailing costs, premiums, and mailing list maintenance and rental costs.

k. Reclassifications

Certain items in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on previously reported change in net assets.

l. Date of Management's Review

Management has evaluated subsequent events through November 1, 2016, the date on which the financial statements were available to be issued.

2. CASH AND CASH EQUIVALENTS

Interest bearing cash consists of the following as of December 31,

	<u>2015</u>	<u>2014</u>
Checking and savings accounts	\$ 45,735	\$ 5,927
Money market funds	<u>17,332</u>	<u>45,109</u>
	<u>\$ 67,067</u>	<u>\$ 51,036</u>

3. EMPLOYEE BENEFIT PLAN

The Association has a 403(b) Thrift Plan that covers all full time employees. Under the plan, the Association contributes five percent of each eligible employee's salary. Retirement plan expenses for the years ended December 31, 2015 and 2014 were \$12,088 and \$17,896, respectively

The Association terminated the portion of its retirement plan that provided for a post-retirement life insurance benefit in 2011. In recognition of the service of employees and former employees with more than 15 years of service at retirement, however, AAIA chose to make cash awards totaling \$40,375 over a five year period in lieu of the cancelled benefit. The amount paid under this program for the years ended December 31, 2015 and 2014 was \$8,550 in each year.

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2015</u>	<u>2014</u>
Furniture and equipment	\$ 3,167	\$ 3,167
Website	<u>23,204</u>	<u>23,204</u>
	26,371	26,371
Less accumulated depreciation	<u>(22,394)</u>	<u>(17,556)</u>
Net property and equipment	<u>\$ 3,977</u>	<u>\$ 8,815</u>

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.

NOTES TO FINANCIAL STATEMENTS

5. INVESTMENTS

Investments consist of the following, stated at fair market value:

	Cost or Basis	Market Value
<u>December 31, 2015</u>		
Fixed Income	\$ 176,431	\$ 176,351
Equities	<u>316,296</u>	<u>325,505</u>
	\$ <u>492,727</u>	\$ <u>501,856</u>
<u>December 31, 2014</u>		
Fixed Income	\$ 284,875	\$ 284,715
Equities	<u>533,543</u>	<u>622,065</u>
	\$ <u>818,418</u>	\$ <u>906,780</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2015:

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Interest and dividends	\$ 1,729	\$ 13,646	\$ 15,375
Realized gains	7,625	60,175	67,800
Unrealized gains	<u>(79,233)</u>	<u>-</u>	<u>(79,233)</u>
Total investment return	\$ <u>(69,879)</u>	\$ <u>73,821</u>	\$ <u>3,942</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2014:

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Interest and dividends	\$ 5,725	\$ 12,832	\$ 18,557
Realized gains	28,165	63,147	91,312
Unrealized gains	<u>(67,076)</u>	<u>-</u>	<u>(67,076)</u>
Total investment return	\$ <u>(33,186)</u>	\$ <u>75,979</u>	\$ <u>42,793</u>

The fair value measurements and levels within the hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2015 are as follows:

<u>Description</u>	<u>Fair Value</u>	Quoted Prices In active Markets for Identical Assets (Level 1)
Long-term Investments		
Fixed Income	\$ 176,351	\$ 176,351
Equities	<u>325,505</u>	<u>325,505</u>
	\$ <u>501,856</u>	\$ <u>501,856</u>

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.

NOTES TO FINANCIAL STATEMENTS

5. INVESTMENTS (CONTINUED)

The fair value measurements and levels within the hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2014 are as follows:

Description	Fair Value	Quoted Prices In active Markets for Identical Assets (Level 1)
Long-term Investments		
Fixed Income	\$ 284,715	\$ 284,715
Equities	<u>622,065</u>	<u>622,065</u>
	\$ <u>906,780</u>	\$ <u>906,780</u>

6. LEASE COMMITMENTS

The Association leases certain software under a non-cancellable lease with payments of \$450 per month. Future minimum payments under this lease are:

<u>Year ending December 31,</u>	
2016	\$ 7,500
2017	9,000
2018	<u>9,000</u>
	\$ <u>25,500</u>

7. CONCENTRATIONS

The Association maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts. The Association does not believe it is exposed to any significant credit risk on cash.

The proceeds from one grant accounted for approximately 32% of revenue in 2015.

The proceeds from one grant accounted for approximately 37% of revenue in 2014.

8. IN-KIND CONTRIBUTIONS

During 2014, legal and professional services were provided to AAIA pro bono for certain programs. The value of these services is included in program expenses under the professional fees and consultants heading.

During 2014, a member of the board of directors donated the cost of travel to Board meetings. The cost of travel is included in the general and administrative column of the statement of functional expenses.

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC.

NOTES TO FINANCIAL STATEMENTS

9. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of December 31:

	<u>2014</u>	<u>Additions</u>	<u>Releases</u>	<u>2015</u>
Juvenile Justice	\$ 41,281	\$ 10,133	\$ 40,416	\$ 10,998
International repatriation	119,602	102,500	200,881	21,221
Medicine Wheel	4,457	-	-	4,457
Steve Brady Fund	760	-	-	760
Adoption project	40,000	-	32,709	7,291
Scholarships	<u>-</u>	<u>73,821</u>	<u>73,821</u>	<u>-</u>
Total	\$ <u>206,100</u>	\$ <u>186,654</u>	\$ <u>347,827</u>	\$ <u>44,727</u>

10. PERMANENTLY RESTRICTED NET ASSETS

The Association has received endowments for various purposes. These funds are reported as permanently restricted net assets 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

The Lea A. and Elsie L. Wildung Perpetual Endowment Fund – aid and support for Native Americans in Minnesota

Ethel Wortis Endowment Scholarship Fund – aid to Native American college students requiring financial assistance to continue their studies

Endowment funds consist of the following at December 31, 2015 and 2014:

The Elizabeth and Sherman Asche Memorial Scholarship Fund	\$ 237,250
The Homborg Scholarship Fund	142,000
The Mary Hemenway Memorial Fund	175,280
The Lea A. and Elsie L. Wildung Perpetual Endowment Fund	73,293
Ethel Wortis Endowment Scholarship Fund	<u>25,000</u>
Total	\$ <u>652,823</u>

**INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION**

The Board of Directors
Association on American Indian Affairs, Inc.
Rockville, Maryland

We have audited the financial statements of Association on American Indian Affairs, Inc. as of and for the year ended December 31, 2015, and our report thereon dated November 1, 2016, which expressed an unmodified opinion on those financial statements appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of functional expenses and the schedules of comparative income and expense data are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Sioux Falls, South Dakota
November 1, 2016

**SCHEDULE OF FUNCTIONAL EXPENSES
SHOWN ON FOLLOWING PAGES**

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2015

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014)

	PROGRAM SERVICES			
	Scholarship, Education & Youth	Health	Legal Affairs	Public Education
Salaries	\$ 59,612	\$ 6,919	\$ 127,027	\$ 24,699
Payroll taxes	4,826	560	10,285	2,000
Employee fringe benefits	<u>10,991</u>	<u>1,276</u>	<u>23,420</u>	<u>4,554</u>
Total salaries and related expenses	75,429	8,755	160,732	31,253
Audit and accounting	-	-	-	-
Grants	10,000	6,000	-	-
Scholarships	70,044	-	-	-
Meetings and conferences	4,543	-	6,043	6,057
Professional fees and consultants	7,619	-	-	-
Printing and publications	-	-	-	262
Contracted services	7,672	-	-	23,248
Travel	15,437	3,859	34,733	11,578
Occupancy	5,246	609	10,250	2,173
Telephone	1,283	257	2,053	1,027
Insurance	1,357	158	2,893	562
Stationery and office	2,719	316	5,793	1,126
Language program supplies and expenses	650	-	-	-
Postage and mailing	5,759	-	1,329	886
Depreciation	4,676	4	80	16
Bank charges	1,479	172	3,153	613
Miscellaneous	721	84	1,536	299
Fund raising solicitation expenses	-	-	-	-
Filing fees	-	-	-	-
	<u>\$ 214,634</u>	<u>\$ 20,214</u>	<u>\$ 228,595</u>	<u>\$ 79,100</u>

SUPPORTING SERVICES

<u>Total Program Services</u>	<u>General and Administrative</u>	<u>Fund Raising</u>	<u>Total Supporting Services</u>	<u>2015 Total</u>	<u>2014 Total</u>
\$ 218,257	\$ 27,959	\$ 70,885	\$ 98,844	\$ 317,101	\$ 324,083
17,671	2,264	5,739	8,003	25,674	25,287
<u>40,241</u>	<u>5,155</u>	<u>13,069</u>	<u>18,224</u>	<u>58,465</u>	<u>59,806</u>
276,169	35,378	89,693	125,071	401,240	409,176
-	22,301	-	22,301	22,301	19,000
16,000	-	-	-	16,000	21,741
70,044	-	-	-	70,044	64,350
16,643	9,087	6,058	15,145	31,788	92,780
7,619	212	-	212	7,831	40,789
262	-	2,405	2,405	2,667	8,744
30,920	2,325	13,251	15,576	46,496	9,085
65,607	-	11,578	11,578	77,185	70,888
18,278	2,460	5,960	8,420	26,698	25,010
4,620	257	257	514	5,134	3,430
4,970	637	1,614	2,251	7,221	7,294
9,954	1,275	3,233	4,508	14,462	14,252
650	-	-	-	650	600
7,974	443	443	886	8,860	3,413
4,776	18	44	62	4,838	7,855
5,417	694	1,759	2,453	7,870	3,745
2,640	338	857	1,195	3,835	1,409
-	-	48,608	48,608	48,608	66,449
-	-	1,480	1,480	1,480	2,155
<u>\$ 542,543</u>	<u>\$ 75,425</u>	<u>\$ 187,240</u>	<u>\$ 262,665</u>	<u>\$ 805,208</u>	<u>\$ 872,165</u>

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC

COMPARATIVE INCOME DATA

FOR THE YEARS ENDING DECEMBER 31,

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
UNRESTRICTED NET ASSETS				
Contributions and dues	\$ 145,878	\$ 114,926	\$ 179,903	\$ 135,826
Legacies	8,970	29,092	383,237	78,370
Grants	-	25,000	31,500	40,393
Consulting	7,500	54,800	105,077	85,300
Investment income	1,729	5,725	4,704	7,677
Media sales and other income	10,174	5,862	11,181	8,016
In-kind contributions		727	556	-
Realized gains (losses) on securities	7,625	28,165	23,053	14,305
Unrealized gains (losses) on securities	(79,233)	(67,076)	62,931	53,106
Net assets released from restrictions	<u>377,129</u>	<u>365,532</u>	<u>186,680</u>	<u>282,192</u>
Total unrestricted	479,772	562,753	988,822	705,185
TEMPORARILY RESTRICTED NET ASSETS				
Contributions	-	8,167	-	1,000
Grants	102,500	356,351	153,750	240,325
Consulting	39,435	27,885	-	-
Investment income	13,646	12,832	11,958	14,026
In-kind contributions		28,825	17,519	5,599
Realized gains (losses) on securities	60,175	63,147	61,184	28,661
Net assets released from restrictions	<u>(377,129)</u>	<u>(365,532)</u>	<u>(186,680)</u>	<u>(282,192)</u>
Total temporarily restricted	(161,373)	131,675	57,731	7,419
PERMANENTLY RESTRICTED NET ASSETS				
Grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total income	<u>\$ 318,399</u>	<u>\$ 694,428</u>	<u>\$ 1,046,553</u>	<u>\$ 712,604</u>

ASSOCIATION ON AMERICAN INDIAN AFFAIRS, INC

COMPARATIVE EXPENSE DATA

FOR THE YEARS ENDING DECEMBER 31,

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
PROGRAM SERVICES				
Scholarship, Education & Youth	\$ 214,634	\$ 256,395	\$ 438,787	\$ 443,273
Health	20,214	17,752	10,299	9,106
Legal affairs	228,595	227,413	112,974	82,290
Public education	<u>79,100</u>	<u>66,560</u>	<u>43,605</u>	<u>39,754</u>
Total program services	542,543	568,120	605,665	574,423
SUPPORTING SERVICES				
General and administrative	75,425	89,904	86,377	90,423
Fund raising	<u>187,240</u>	<u>214,141</u>	<u>206,869</u>	<u>134,898</u>
Total supporting services	<u>262,665</u>	<u>304,045</u>	<u>293,246</u>	<u>225,321</u>
Total expenses	<u>\$ 805,208</u>	<u>\$ 872,165</u>	<u>\$ 898,911</u>	<u>\$ 799,744</u>