

American Indian Family Center

St. Paul, Minnesota

Financial Statements
Auditor's Report
For the Years Ended
June 30, 2017 and 2016



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

We have audited the accompanying financial statements of American Indian Family Center, which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 American Indian Family Center as of June 30, 2017 and 2016, 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.

Carpenter, Evert & Associates, Ltd.
Certified Public Accountants

Minneapolis, Minnesota
June 21, 2018

AMERICAN INDIAN FAMILY CENTER
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue:						
Contributions	\$ 82,699	\$ 74,562	\$ 157,261	\$ 40,793	\$ 163,477	\$ 204,270
Government Grants and Contracts	1,405,650	-	1,405,650	1,327,383	-	1,327,383
Other Revenue	8,645	-	8,645	3,219	-	3,219
Net Assets Released from Restrictions:						
Satisfaction of Program Restrictions	154,422	(154,422)	-	52,768	(52,768)	-
Total Support and Revenue	<u>1,651,416</u>	<u>(79,860)</u>	<u>1,571,556</u>	<u>1,424,163</u>	<u>110,709</u>	<u>1,534,872</u>
Expense:						
Program Services:						
Therapeutic and Family Services	1,054,065	-	1,054,065	722,939	-	722,939
Employment and Education Services	431,898	-	431,898	535,618	-	535,618
Total Program Services	<u>1,485,963</u>	<u>-</u>	<u>1,485,963</u>	<u>1,258,557</u>	<u>-</u>	<u>1,258,557</u>
Support Services:						
Management and General	141,316	-	141,316	84,933	-	84,933
Fundraising	45,978	-	45,978	16,411	-	16,411
Total Support Services	<u>187,294</u>	<u>-</u>	<u>187,294</u>	<u>101,344</u>	<u>-</u>	<u>101,344</u>
Total Expense	<u>1,673,257</u>	<u>-</u>	<u>1,673,257</u>	<u>1,359,901</u>	<u>-</u>	<u>1,359,901</u>
Change in Net Assets	(21,841)	(79,860)	(101,701)	64,262	110,709	174,971
Net Assets - Beginning of Year	671,116	110,709	781,825	606,854	-	606,854
Net Assets - End of Year	<u>\$ 649,275</u>	<u>\$ 30,849</u>	<u>\$ 680,124</u>	<u>\$ 671,116</u>	<u>\$ 110,709</u>	<u>\$ 781,825</u>

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

AMERICAN INDIAN FAMILY CENTER
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE TOTALS FOR 2016

	2017						2016	
	Program Services			Support Services			Total All Services	Total All Services
	Therapeutic and Family Services	Employment and Education Services	Total Program Services	Management & General	Fund-raising	Total Support Services		
Total Personnel Costs	\$ 680,547	\$ 315,619	\$ 996,166	\$ 35,592	\$ 39,948	\$ 75,540	\$ 1,071,706	\$ 876,100
Professional Fees	171,670	23,451	195,121	46,410	2,834	49,244	244,365	179,468
Client Services:								
Program Supplies	46,297	19,734	66,031	-	-	-	66,031	53,339
Client Transportation	8,551	25,452	34,003	-	-	-	34,003	26,746
Client Food Support	20,094	1,384	21,478	-	-	-	21,478	18,092
Childcare	11,516	6,401	17,917	-	-	-	17,917	17,334
Work Support	-	3,302	3,302	-	-	-	3,302	14,063
Housing Support	-	720	720	-	-	-	720	7,951
Client Incentives	7,091	3,920	11,011	-	-	-	11,011	6,191
Occupancy	24,338	12,223	36,561	22,850	784	23,634	60,195	59,863
Bad Debt Expense	40,000	-	40,000	-	-	-	40,000	5,259
Office Expenses	16,867	6,458	23,325	8,808	799	9,607	32,932	32,231
Insurance	13,509	6,007	19,516	5,706	1,480	7,186	26,702	19,567
Professional Development	10,791	4,102	14,893	740	100	840	15,733	15,156
Mileage and Travel	2,794	3,125	5,919	638	33	671	6,590	7,358
Bank Fees and Interest	-	-	-	1,431	-	1,431	1,431	2,199
Miscellaneous	-	-	-	-	-	-	-	121
Depreciation	-	-	-	19,141	-	19,141	19,141	18,863
Total Expense	\$ 1,054,065	\$ 431,898	\$ 1,485,963	\$ 141,316	\$ 45,978	\$ 187,294	\$ 1,673,257	\$ 1,359,901

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, 2016

	Program Services			Support Services			Total All Services
	Therapeutic and Family Services	Employment and Education Services	Total Program Services	Management & General	Fund- raising	Total Support Services	
Total Personnel Costs	\$ 472,393	\$ 366,998	\$ 839,391	\$ 25,670	\$ 11,039	\$ 36,709	\$ 876,100
Professional Fees	76,902	70,010	146,912	27,764	4,792	32,556	179,468
Client Services:							
Program Supplies	50,571	2,768	53,339	-	-	-	53,339
Client Transportation	7,192	19,554	26,746	-	-	-	26,746
Client Food Support	15,955	2,137	18,092	-	-	-	18,092
Childcare	10,716	6,618	17,334	-	-	-	17,334
Work Support	-	14,063	14,063	-	-	-	14,063
Housing Support	-	7,951	7,951	-	-	-	7,951
Client Incentives	2,342	3,849	6,191	-	-	-	6,191
Occupancy	44,089	14,020	58,109	1,754	-	1,754	59,863
Bad Debt Expense	2,836	2,203	5,039	154	66	220	5,259
Office Expenses	14,839	12,265	27,104	4,615	512	5,127	32,231
Insurance	9,171	7,418	16,589	2,978	-	2,978	19,567
Professional Development	13,325	1,464	14,789	367	-	367	15,156
Mileage and Travel	2,543	4,250	6,793	565	-	565	7,358
Bank Fees and Interest	-	-	-	2,199	-	2,199	2,199
Miscellaneous	65	50	115	4	2	6	121
Depreciation	-	-	-	18,863	-	18,863	18,863
Total Expense	\$ 722,939	\$ 535,618	\$ 1,258,557	\$ 84,933	\$ 16,411	\$ 101,344	\$ 1,359,901

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

AMERICAN INDIAN FAMILY CENTER
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Current Assets:		
Cash	\$ 230,904	\$ 210,648
Investment	-	6,482
Grants and Contracts Receivable	192,556	269,937
Prepaid Expense	<u>79,958</u>	<u>69,268</u>
Total Current Assets	503,418	556,335
Property and Equipment - Net	<u>291,678</u>	<u>302,581</u>
 TOTAL ASSETS	 <u>\$ 795,096</u>	 <u>\$ 858,916</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 33,095	\$ 22,425
Accrued Expenses	<u>81,877</u>	<u>54,666</u>
Total Current Liabilities	114,972	77,091
Net Assets:		
Unrestricted:		
Undesignated	642,793	664,634
Board Designated-Scholarships	<u>6,482</u>	<u>6,482</u>
Total Unrestricted	649,275	671,116
Temporarily Restricted	<u>30,849</u>	<u>110,709</u>
Total Net Assets	<u>680,124</u>	<u>781,825</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 795,096</u>	 <u>\$ 858,916</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, 2017 AND 2016

<u>Increase (Decrease) in Cash</u>	<u>2017</u>	<u>2016</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (101,702)	\$ 174,971
Total Adjustments	<u>123,713</u>	<u>(15,113)</u>
Net Cash Provided by Operating Activities	22,011	159,858
Cash Flows from Investing Activities:		
Proceeds from Sale of Investment	6,482	-
Purchase of Property and Equipment	<u>(8,237)</u>	<u>(24,237)</u>
Net Cash (Used) by Investing Activities	(1,755)	(24,237)
Cash Flows from Financing Activities:		
Payments on Note Payable	<u>-</u>	<u>(37,463)</u>
Net Cash (Used) by Financing Activities	<u>-</u>	<u>(37,463)</u>
Net Increase in Cash	20,256	98,158
Cash-Beginning of Year	<u>210,648</u>	<u>112,490</u>
Cash -End of Year	<u>\$ 230,904</u>	<u>\$ 210,648</u>

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

AMERICAN INDIAN FAMILY CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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 services provided by AIFC are Therapeutic and Family Services and Employment and Education Services.

Therapeutic and Family Services

The Therapeutic Services is comprised of two primary programs. The Healing Generations Program is designed to provide the American Indian community with mental health services that integrates both traditional and western concepts of healing, viewing each client holistically and to reduce the stigma attached to mental health care by providing therapy, family support and care coordination, and community awareness and education. The Healing Generation activities include testing and assessments, individual, family and couples counseling, community education workshops, and a partnership with the American Indian Magnet School to deliver therapy to American Indian youth.

The Wakanyeja Kin Wakan Pi (Our Children are Sacred) Program (OCSP) is designed to support families affected by Fetal Alcohol Spectrum Disorders by focusing efforts to reduce the number of new alcohol and drug affected births; improve parenting knowledge and skills; increase use of formal and informal support networks available to them; create a community driven strategy which reflect the needs, assets and culture of our community.

The Eliminating Health Disparities Initiative (EHDI) Program has been providing services and support since 2000. The EHDI Program is designed to address the high incidence of infant mortality in the American Indian community by providing outreach, risk assessment and care coordination, and health education. This program works in conjunction with the Wakanyeja Kin Wakan Pi (Our Children are Sacred) Program to address at risk behaviors that impact healthy birth outcomes. EHDI activities include Mother's Circle, prenatal and childbirth education classes, parenting classes, community baby showers, and newborn visits.

The Medicine Wheel Collaborative (MWC) is designed to prevent child abuse and neglect and to help families have strong relationships and connections to the community. This is a formal collaborative with Ain Dah Yung and the St. Paul Public Schools Indian Education Program. The MWC activities continue to include parenting education, group and cultural support, developing family goals and action plans, and referrals for more specialized needs.

The Wounspe Wawokiya (Lakota for Service Learning) Youth Program is designed to strengthen the self-confidence of American Indian youth by utilizing their natural learning styles and inherent cultural knowledge.

AMERICAN INDIAN FAMILY CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

Organizational Purpose (continued)

The Ombi' Aya Anishinabe Ininiwug (Rise Up Original Man) Program (OAAIP) in conjunction with the East Metro Diabetes Collaborative is designed to engage American Indian men and fathers as leaders in their family and community to prevent and address diabetes. The program provides culturally specific support and education to American Indian families in Ramsey County. The OAAIP activities include a weekly education and support group, monthly cultural teachings, and access to traditionally supportive activities. Additional activities include the formation of a men's softball team, drum and singing, and the St. Paul Bicycle Program. In addition, a core group of men have made themselves available as volunteers for numerous community events. Their presence at these events is an ever growing appreciation for their support.

Employment and Education Services

The Employment and Education Services is comprised of two programs. The Anukey Employment Program (AEP) is designed to reduce the high sanction rate of American Indian families receiving MFIP services. The AEP is part of a larger collaborative called the Anukey Partnership and includes Ramsey County Financial Services and Workforce Solutions. The AEP provides culturally specific employment counseling and supportive services to assist American Indian families receiving MFIP benefits in achieving economic self-sufficiency. The AEP activities include one-on-one employment counseling, job readiness and skill development, a culturally supportive job club, and retention support services.

The YouthLEAD Project is designed to assist youth ages 16-22 with building skills to improve their abilities to become self-sufficient. The YouthLEAD project was launched in March 2011 under a collaborative effort with Hmong American Partnership.

The Ramsey County Teen Outreach Program (TOP) is a life skills and service learning program for youth in select St. Paul middle and high schools. Developmental topics covered include Team Building and Self-Esteem.

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:

Unrestricted Net Assets – Net assets which are neither permanently nor temporarily restricted by donor-imposed stipulations. These net assets include both board designated and undesignated amounts. Property and equipment is reported as unrestricted net assets.

Temporarily Restricted Net Assets – The part of net assets of AIFC resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions pursuant to those stipulations.

AMERICAN INDIAN FAMILY CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

1. Summary of Significant Accounting Policies (continued)

Promises-To-Give (Grants 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.

Investments

AIFC carries its investments at market value. The investment is a certificate of deposit held by AIFC.

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.

Contributions

Contributions are recorded when received and recognized as support in the period received. If donor-imposed restrictions accompany the contribution, the amount is recorded as temporarily or permanently restricted until the donor-imposed restrictions expire or are fulfilled. Temporarily restricted net assets are reclassified to unrestricted in the period donor-imposed restrictions expire or are fulfilled and are reported in the Statement of Activities under the Support and Revenue Category – Net Assets Released from Restrictions.

Government Grants and Contracts

Government grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are made. Funds received but not yet earned are shown as refundable advances. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, AIFC will record such disallowance at the time the final assessment is made.

AMERICAN INDIAN FAMILY CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

1. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expense

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

Income Tax

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

Risks and Uncertainties

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

Subsequent Events

AIFC has evaluated the effect that subsequent events would have on the financial statements through June 21, 2018, 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 from local governments or institutions.

AMERICAN INDIAN FAMILY CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

3. Property and Equipment

AIFC owned the following assets as of:

	<u>June 30,</u>		<u>Estimated Useful Lives</u>
	<u>2017</u>	<u>2016</u>	
Land	\$ 15,000	\$ 15,000	
Building and Improvements	472,361	472,361	6–39 years
Furniture and Equipment	<u>65,416</u>	<u>57,178</u>	5 years
	552,777	544,539	
Less Accumulated Depreciation	<u>261,099</u>	<u>241,958</u>	
	<u>\$ 291,678</u>	<u>\$ 302,581</u>	

Depreciation expense of \$19,141 and \$18,863 was recorded for the years ended June 30, 2017 and 2016, respectively.

4. Notes Payable

AIFC maintains a \$100,000, variable rate line-of-credit due on September 22, 2017 with Western Bank. The line-of-credit balance was \$-0- for both years ended June 30, 2017 and 2016, respectively.

5. Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of amounts for the following as of:

	<u>June 30,</u>	
	<u>2017</u>	<u>2016</u>
Parent Mentor	<u>\$ 30,849</u>	<u>\$ 110,709</u>

6. 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>2017</u>	<u>2016</u>
Depreciation Expense	\$ 19,141	\$ 18,863
Increase (Decrease) in Current Liabilities:		
Accounts Payable	10,670	(3,164)
Accrued Expenses	27,211	23,512
Decrease (Increase) in Current Assets:		
Grants and Contracts Receivable	77,381	(39,464)
Prepaid Expense	<u>(10,690)</u>	<u>(14,860)</u>
Total Adjustments	<u>\$ 123,713</u>	<u>\$ (15,113)</u>