

**American Indian Graduate Center, Inc.
and
American Indian Graduate Center Scholars
COMBINED FINANCIAL STATEMENTS
June 30, 2020
(With Comparative Totals for June 30, 2019)**

INDEPENDENT AUDITORS' REPORT

Board of Directors
American Indian Graduate Center, Inc.
and American Indian Graduate Center Scholars

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of American Indian Graduate Center, Inc. and American Indian Graduate Center Scholars, collectively referred to as “the Organization”, a nonprofit organization, which comprise the combined statement of financial position as of June 30, 2020 and the related combined statements of activities and changes in net assets, cash flows and functional expenses for the year then ended and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the combined 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 Organization'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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2019 combined financial statements, and our report dated January 17, 2020, expressed an unmodified opinion on those audited combined financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole.

The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

The accompanying combining statements of financial position and activities and changes in net assets are presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the combined 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 combined financial statements. The combining information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

January 22, 2021


Pulakos CPAs, PC

American Indian Graduate Center, Inc.
and
American Indian Graduate Center Scholars

COMBINED STATEMENTS OF FINANCIAL POSITION

June 30, 2020

(With Comparative Totals for June 30, 2019)

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets		
Cash	\$ 5,787,104	\$ 10,415,833
Investments	2,378,878	1,630,550
Receivables, net	119,952	33,409
Other current assets	89,763	68,560
Total current assets	8,375,697	12,148,352
Property and equipment, net	85,432	99,009
Purpose restricted investments	909,839	721,358
Endowed investments	1,936,940	1,936,940
Total assets	\$ 11,307,908	\$ 14,905,659
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 136,157	\$ 163,896
Scholarships payable	83,334	73,462
Refundable advances - PPP	184,906	-
Deferred revenue	2,852,353	6,207,160
Total current liabilities	3,256,750	6,444,518
Net assets		
Without donor restrictions	4,883,763	5,100,911
With donor restrictions		
Time or purpose restricted	1,230,455	1,423,290
Perpetual in nature	1,936,940	1,936,940
Total net assets	8,051,158	8,461,141
Total liabilities and net assets	\$ 11,307,908	\$ 14,905,659

**American Indian Graduate Center, Inc.
and
American Indian Graduate Center Scholars**

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

**Year Ended June 30, 2020
(With Comparative Totals for 2019)**

	2020			2019 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenues, support and gains				
Contributions and grants	\$ 7,512,141	\$ 176,494	\$ 7,688,635	\$ 10,251,437
Federal grant	5,147,584	-	5,147,584	5,971,897
Other program revenue	138,679	-	138,679	73,830
Investment income, net of investment fees	54,360	58,620	112,980	87,588
Realized and unrealized gains on investments	99,791	85,091	184,882	39,571
Net assets released from restrictions	513,040	(513,040)	-	-
Total revenues, support and gains	13,465,595	(192,835)	13,272,760	16,424,323
Expenses				
Program	12,959,734	-	12,959,734	15,773,057
Management	552,045	-	552,045	363,825
Fundraising	170,964	-	170,964	561,648
Total expenses	13,682,743	-	13,682,743	16,698,530
Change in net assets	(217,148)	(192,835)	(409,983)	(274,207)
Net assets, beginning of year	5,100,911	3,360,230	8,461,141	8,735,348
Net assets, end of year	\$ 4,883,763	\$ 3,167,395	\$ 8,051,158	\$ 8,461,141

See Notes to Combined Financial Statements and Independent Auditors' Report.

American Indian Graduate Center, Inc.
and
American Indian Graduate Center Scholars

COMBINED STATEMENTS OF CASH FLOWS

Year Ended June 30, 2020
(With Comparative Totals for 2019)

	2020	2019
Operating activities		
Change in net assets	\$ (409,983)	\$ (274,207)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation	35,847	20,733
Realized and unrealized gain on investments	(184,882)	(39,571)
Net changes to operating assets and liabilities		
Receivables, net	(86,543)	1,143,458
Other current assets	(21,203)	(57,597)
Accounts payable and accrued liabilities	(27,739)	117,480
Scholarships payable	9,872	(3,657)
Refundable advances - PPP	184,906	-
Deferred revenue	(3,354,807)	1,277,555
	(3,854,532)	2,184,194
Net cash (used) provided by operating activities		
Investing activities		
Purchases of investments and reinvestment of investment income	(921,176)	(163,593)
Proceeds from sale of investments	169,249	41,079
Purchases of property and equipment	(22,270)	(59,951)
	(774,197)	(182,465)
Net cash used by investing activities		
Financing activities		
Contributions to the endowment	-	(252,109)
	-	(252,109)
Net cash used by investing activities		
Change in cash	(4,628,729)	1,749,620
Cash, beginning of year	10,415,833	8,666,213
Cash, end of year	\$ 5,787,104	\$ 10,415,833

**American Indian Graduate Center, Inc.
and
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COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

**Year Ended June 30, 2020
(With Comparative Totals for 2019)**

	Program				
Scholarships and Student Support Services	Outreach	Read/ Selection	Leadership	Total Program	
Scholarships	\$ 11,129,667	\$ -	\$ -	\$ -	\$ 11,129,667
Personnel expenses	645,315	325,097	82,952	40,713	1,094,077
Professional services	128,938	68,106	17,378	8,529	222,951
Travel, meetings and conferences	124,749	62,846	16,036	7,870	211,501
Occupancy expense	62,239	31,355	8,000	3,927	105,521
Supplies	30,602	15,417	3,934	1,931	51,884
Telephone	22,040	11,103	2,833	1,391	37,367
Depreciation	15,170	7,643	1,950	957	25,720
Printing and publications	12,866	6,482	1,654	812	21,814
Postage and shipping	7,293	3,674	937	460	12,364
Equipment and repairs	6,198	3,123	797	391	10,509
Miscellaneous	21,445	10,804	2,757	1,353	36,359
	\$ 12,206,522	\$ 545,650	\$ 139,228	\$ 68,334	\$ 12,959,734

Management and General

<u>AIGC</u>	<u>AIGC Scholars</u>	<u>Fundraising</u>	<u>2020 Total</u>	<u>2019 Total</u>
\$ -	\$ -	\$ -	\$ 11,129,667	\$ 14,551,821
178,923	149,986	101,860	1,524,846	1,372,667
50,022	18,882	21,339	313,194	227,598
54,506	9,077	19,691	294,775	205,853
16,580	15,142	9,824	147,067	89,273
12,184	3,414	4,830	72,312	115,484
6,141	5,092	3,479	52,079	38,888
6,379	1,353	2,395	35,847	20,733
6,550	7	2,031	30,402	18,109
2,755	962	1,151	17,232	9,353
2,489	671	979	14,648	5,465
10,927	3	3,385	50,674	43,286
<u>\$ 347,456</u>	<u>\$ 204,589</u>	<u>\$ 170,964</u>	<u>\$ 13,682,743</u>	<u>\$ 16,698,530</u>

**American Indian Graduate Center, Inc.
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NOTES TO COMBINED FINANCIAL STATEMENTS

**June 30, 2020
(With Comparative Totals for 2019)**

NOTE 1 – NATURE OF BUSINESS

The combined financial statements include the accounts of American Indian Graduate Center, Inc. (AIGC) and American Indian Graduate Center Scholars (AIGC Scholars), which are related by common purposes and are collectively referred to as “the Organization”. The two organizations share office space and various personnel and administrative expenses.

AIGC is a not-for-profit corporation incorporated in 1971 to promote the interests of American Indian people throughout the United States by providing assistance to Indian students at the graduate level. AIGC Scholars is a not-for-profit corporation established January 30, 2001, to administer scholarship and other educational programs to broaden and expand the higher educational opportunities for American Indian and Alaska Native students.

AIGC Scholars receives 100% of its funding under a grant agreement with the United Negro College Fund (UNCF). The grant agreement with UNCF provides for the administration of a portion of the Bill and Melinda Gates Millennium Scholars Program, as it relates to American Indian and Alaska Native students pursuing undergraduate through doctoral degrees. The Gates Millennium Scholars Program is a scholarship program funded by the Bill and Melinda Gates Foundation, and is administered by UNCF. To assist in the implementation of this program, UNCF established a partnership with AIGC Scholars.

Programs of the Organization

The Organization's principal programs are comprised of:

Disbursements and Program Support

Materials and activities designed to ensure that all applicant documents are processed properly, and student files are complete, meet the requirements of all scholarship programs, and are compliant with the Bureau of Indian Education (BIE), Gates Millennium Scholars program, Wells Fargo, and all other contracts. Disbursement activities also include the calculation of award amounts based on financial need and the disbursement of scholarship funds to students.

Retention and academic advisement activities are reported in Disbursements and Program Support and consist of generalized activities to assist awarded Gates Millennium Scholars in achieving continued success in the program. AIGC Scholars staff maintains communication with students and addresses any difficulties they are experiencing in their academic pursuits; with the objective of helping them achieve the criteria for retention in the program.

**American Indian Graduate Center, Inc.
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NOTES TO COMBINED FINANCIAL STATEMENTS

**June 30, 2020
(With Comparative Totals for 2019)**

NOTE 1 – NATURE OF BUSINESS – CONTINUED

Programs of the Organization – Continued

Outreach

Activities that promote the scholarship programs and recruit applicants with the skills necessary to succeed in the program. Materials and presentations are designed to inform educators and American Indian and Alaska Native students about the program.

Reading

Activities for the selection of students who are awarded various scholarships. Qualified readers are selected to review all applications and rank them for the purpose of selecting the best-qualified applicants for the program.

Student Support and Resources

Programs that engage students and provide resources to high school students, undergraduate and graduate students. This includes the Know Before You Go and Empowering Scholars Summit college readiness for high school students; The Rising Native Graduates graduate school mentoring program; The Financial Education Capability financial education program for students and community members; And the Web Resource Center on the AIGC website that provides resources for all students.

Gates Foundation Sustainability Grant

Two-year grant to assist in the development of robust marketing and development department to ensure sustainability of the Organization. The budget includes staff and startup costs, including program impact and fundraising feasibility studies and technology to support the strategic directions of a Comprehensive Fundraising Plan.

Leadership

Preparing and hosting activities to bring awarded students and alumni together to participate in leadership activities and engage in networking and mentoring, in order to promote their leadership abilities and enhance their likelihood for success.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**American Indian Graduate Center, Inc.
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NOTES TO COMBINED FINANCIAL STATEMENTS

**June 30, 2020
(With Comparative Totals for 2019)**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Statement Presentation

The assets, liabilities and results of activities of AIGC and AIGC Scholars are combined in the accompanying combined financial statements and have been collectively referred to as "the Organization." All significant intercompany accounts and transactions are eliminated in the combination. These combined statements are not those of a separate legal entity.

The combined financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the combined financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Certain reclassifications have been made to the 2019 financial statements to conform to the 2020 presentation. These reclassifications have no impact on AIGC's change in net assets.

Basis of Presentation

The combined financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which require the Organization to report information regarding its combined financial position and combined activities and changes in net assets according to the following net asset classifications:

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 Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

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 Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the combined statements of activities and changes in net assets.

**American Indian Graduate Center, Inc.
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NOTES TO COMBINED FINANCIAL STATEMENTS

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Receivables

Receivables are carried at their estimated collectible amounts. The Organization utilizes the allowance method of receivables valuation. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. As of June 30, 2020 and 2019, management estimates that all receivables are collectible and thus no allowance for uncollectible receivables has been recorded. All receivables are considered current.

Investments

Investments consist of marketable securities and are stated at quoted fair market value (FMV). Investment income is presented net of investment fees. Investment fees were \$37,534 and \$41,079 in 2020 and 2019, respectively.

Property and Equipment

Property and equipment are stated at cost. Depreciation is recorded on the straight-line basis in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives, which range from two to five years. The Organization capitalizes acquisitions in excess of \$500. Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Depreciation expense was \$35,847 and \$20,733 in 2020 and 2019, respectively.

Scholarships Payable

Scholarships payable represents scholarship awards that are due by the Organization to identified, qualified recipients but have not yet been disbursed.

Revenue Recognition

Support from contributions, grants and special events is recognized when awarded, earned, or when expenditures have been incurred in accordance with provisions of the contributions and special events. Program service fee revenue is recognized when the service is performed.

Deferred Revenue

Deferred revenue represents scholarship receipts for which the Organization has not yet provided all services associated with the placement of a scholarship. Revenue is recognized by the Organization upon completion of all grantor requirements.

**American Indian Graduate Center, Inc.
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NOTES TO COMBINED FINANCIAL STATEMENTS

**June 30, 2020
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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Donated Assets and Services

Donated assets are recorded at their estimated fair values as of the date of contribution. Contributions of services are recognized in the combined financial statements if the services received enhance or create non-financial assets, require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Some services are provided by volunteers who perform a variety of tasks that benefit the Organization but are not recorded, as they do not meet the above criteria.

Functional Classification of Expenses

Expenses are presented on a functional basis allocated among its various programs, including management and general. Expenses and support services related to a specific program are allocated directly according to their natural expenditure classification. Other expenditures that are common to several programs are allocated based on various relationships, such as square footage or direct labor or periodic time and expense studies.

Fundraising Activity

The Organization accounts for the allocation of joint costs between program activities and fund raising as provided for by accounting principles generally accepted in the United States of America surrounding the accounting for costs of activities of not-for-profit organizations that include fundraising.

Federal Contract

The Organization performs services under a contract with the Bureau of Indian Education. Revenue from this contract is recognized as the services are performed, to the extent of expenses pursuant to applicable federal laws and regulations and the terms and conditions of the contract. Receipts in excess of expenses are recorded as deferred revenue in the accompanying combined financial statements.

Financial Instruments

The carrying amounts of cash, receivables, payables, accrued expenses, and other liabilities approximate fair value due to short maturity periods of these instruments.

Tax Exempt Status

The Organization is a nonprofit charitable corporation and has been recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization has adopted accounting principles generally accepted in the United States of America, as they relate to uncertain tax positions, and has evaluated its tax positions taken for open tax years. Management believes that the activities of the Organization are within their tax-exempt purpose, and that there are no uncertain tax positions.

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

United Negro College Fund (UNCF) Grant Agreement

Revenue from the grant agreement with UNCF is segregated into administrative support and scholarship support.

Administrative Support

Administrative support is considered to be an unconditional promise to give. However, since the donor specified the period for which the funds are to be used, it is recognized as temporarily restricted for time. The support is subsequently released to unrestricted during the period to which the support was intended.

Scholarship Support

Receipts related to scholarship support are not considered to be promises to give, but rather exchange transactions for services rendered by the Organization. Therefore, any funding related to the activity, which may be received in advance, is deferred until the Organization has provided the services associated with the placement of a scholarship.

Actual scholarship awards granted to the Organization are made only after the actual recipient has been identified and pre-qualified by the Organization. Therefore, all such awards are recognized as unrestricted revenue when awarded since all requirements of the award have been met. An increase in disbursement and program support is also recognized at this time. Amounts are then carried as a scholarship payable until disbursement is made.

Advertising

Advertising costs (\$12,173 and \$4,621 in 2020 and 2019, respectively) are expensed as incurred.

New Accounting Pronouncements

Revenue from Contracts with Customers - The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 – Revenue from Contracts with Customers (Topic 606), as amended. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue and therefore, no changes to the previously issued audited combined financial statements were required on a retrospective basis.

Contributions Received and Contributions Made - The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 – Not-for-Profit Entities: Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (Topic 605). The standard is applied prospectively. There were no changes to previously unrecognized promises to give as a result of this new standard.

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value Measurements

Accounting Standards Codification Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical investments that the Organization has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly. These inputs may include quoted prices for the identical instrument in an inactive market, inputs other than observable quoted prices, or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Subsequent Events

The Organization has evaluated all events occurring subsequent to June 30, 2020 and through January 22, 2021, which is the date that the combined financial statements were issued and does not believe that any events occurring during this period require either recognition or disclosure in the accompanying combined financial statements.

**American Indian Graduate Center, Inc.
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NOTES TO COMBINED FINANCIAL STATEMENTS

**June 30, 2020
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NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash	\$ 5,787,104	\$ 10,415,833
Investments	5,225,657	4,288,848
Receivables, net	<u>119,952</u>	<u>33,409</u>
Total financial assets	11,132,713	14,738,090
Less amounts not available to be used within one year:		
Purpose restricted and endowed investments	<u>2,846,779</u>	<u>2,658,298</u>
Financial assets available to meet cash needs for general expenditure within one year from June 30, 2020 and 2019	<u>\$ 8,285,934</u>	<u>\$ 12,079,792</u>

The Organization manages its cash flow and liquidity on an on-going basis to ensure that sufficient funds are available to cover current operational needs. The Organization's goal is generally to maintain a level of financial assets sufficient to cover a minimum of 45 days of operating expenses. As part of its liquidity plan, the Organization is continuously evaluating the amount of cash on hand and expected to be collected within 30 days, against current financial obligations.

NOTE 4 – PROPERTY AND EQUIPMENT

	<u>2020</u>	<u>2019</u>
Computer equipment and software	\$ 318,945	\$ 296,675
Furniture and fixtures	127,349	127,349
Leasehold improvements	<u>1,036</u>	<u>1,036</u>
	447,330	425,060
Less accumulated depreciation	<u>(361,898)</u>	<u>(326,051)</u>
	<u>\$ 85,432</u>	<u>\$ 99,009</u>

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NOTES TO COMBINED FINANCIAL STATEMENTS

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NOTE 5 – INVESTMENTS

The following table presents investments that are measured at fair value on a recurring basis as of June 30, 2020 and 2019:

2020 - Description	Total	Level 1	Level 2	Level 3
Money market funds	\$ 76,370	\$ 76,370	\$ -	\$ -
Equities	373,865	373,865	-	-
Exchange traded funds	1,552,110	1,552,110	-	-
Mutual funds	3,223,312	3,223,312	-	-
	<u>\$ 5,225,657</u>	<u>\$ 5,225,657</u>	<u>\$ -</u>	<u>\$ -</u>
2019 - Description	Total	Level 1	Level 2	Level 3
Money market funds	\$ 45,562	\$ 45,562	\$ -	\$ -
Equities	598,783	598,783	-	-
Exchange traded funds	1,188,932	1,188,932	-	-
Mutual funds	2,324,843	2,324,843	-	-
Alternative investments	130,728	130,728	-	-
	<u>\$ 4,288,848</u>	<u>\$ 4,288,848</u>	<u>\$ -</u>	<u>\$ -</u>

The classifications of different types of investments in the preceding tables are determined by evaluating each fund or investment within general investment type parameters.

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**June 30, 2020
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NOTE 5 – INVESTMENTS – CONTINUED

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Money market funds: Valued based on stated values.

Equities, mutual funds, exchange traded funds and alternative investments: Valued at the closing price of the traded security at the combined statements of financial position date.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

	2020	2019
Subject to expenditure for specified purpose		
Post-graduate Educational Assistance	\$ 909,839	\$ 721,358
Gates Foundation Marketing Grant	-	301,932
Youth Summit Program	320,616	400,000
	1,230,455	1,423,290
Endowments-		
subject to endowment spending policy	1,936,940	1,936,940
	\$ 3,167,395	\$ 3,360,230
Net assets released are as follows:		
	2020	2019
Post-graduate Educational Assistance	\$ 131,725	\$ 1,013,998
Gates Foundation Marketing Grant	301,932	430,204
Youth Summit Program	79,383	-
Know Before You Go Program	-	395,519
Gates Millennium Scholars program	-	462,378
	\$ 513,040	\$ 2,302,099

**American Indian Graduate Center, Inc.
and
American Indian Graduate Center Scholars**

NOTES TO COMBINED FINANCIAL STATEMENTS

**June 30, 2020
(With Comparative Totals for 2019)**

NOTE 7 – ENDOWMENTS

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) provides industry guidance to organizations similar to the Organization. The State of New Mexico adopted UPMIFA effective July 1, 2009. The Organization has determined that certain temporarily restricted net assets and all permanently restricted net assets meet the definition of endowment funds under UPMIFA.

Endowment Investment and Spending Policies

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

In determining the prudent amount to distribute in a given year, the Organization considers the donor's intent, the purpose of the fund as stated in the fund agreement, and relevant economic factors. The Organization's current spending policy with regards to its endowments is determined annually by the Board of Directors.

The investment policies establish a return objective through diversification of asset classes. The current long-term return objective is the rate of inflation plus spending, net of any investment fees. To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns may be achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The Organization's endowment funds consist entirely of donor-restricted funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**American Indian Graduate Center, Inc.
and
American Indian Graduate Center Scholars**

NOTES TO COMBINED FINANCIAL STATEMENTS

**June 30, 2020
(With Comparative Totals for 2019)**

NOTE 7 – ENDOWMENTS – CONTINUED

Changes in Endowment Net Assets for the Years Ending June 30, 2020 and 2019:

	<u>Purpose Restricted</u>	<u>Perpetually Endowed</u>	<u>Total</u>
Endowment net assets, June 30, 2018	\$ 646,085	\$ 1,684,831	\$ 2,330,916
Investment return			
Interest income	75,450	-	75,450
Unrealized gain on investment	25,595	-	25,595
Investment fees	(25,772)	-	(25,772)
Total investment return	75,273	-	75,273
Contributions	-	252,109	252,109
Distributions	-	-	-
Endowment net assets, June 30, 2019	721,358	1,936,940	2,658,298
Investment return			
Interest income	80,375	-	80,375
Unrealized gain on investment	85,091	-	85,091
Investment fees	(21,755)	-	(21,755)
Total investment return	143,711	-	143,711
Contributions	100,500	-	100,500
Distributions	(55,730)	-	(55,730)
Endowment net assets, June 30, 2020	<u>\$ 909,839</u>	<u>\$ 1,936,940</u>	<u>\$ 2,846,779</u>

**American Indian Graduate Center, Inc.
and
American Indian Graduate Center Scholars**

NOTES TO COMBINED FINANCIAL STATEMENTS

**June 30, 2020
(With Comparative Totals for 2019)**

NOTE 8 – PAYCHECK PROTECTION PROGRAM (PPP)

On May 1, 2020, the Organization entered into a Loan Agreements and Promissory Notes (SBA Loan) pursuant to the Paycheck Protection Program (PPP) under the recently enacted Coronavirus Aid, Relief, and Economic Security Act (CARES Act) administered by the U.S. Small Business Administration. The Organization received total loan proceeds of \$184,906. The loan is scheduled to mature on May 1, 2022, carries a 1.00% interest rate, and is subject to the terms and conditions applicable to loans administered by the U.S. Small Business Administration under the CARES Act. The loan may be prepaid by the Organization at any time prior to maturity with no prepayment penalties. The loans contain customary events of default relating to, among other things, payment defaults and breaches of representations and warranties.

Subject to certain conditions, the loan may be forgiven in whole or in part by applying for forgiveness pursuant to the CARES Act and the PPP. The amount of loan proceeds eligible for forgiveness is determined on a formula based on a number of factors, including the amount of loan proceeds used during the 24-week forgiveness period after the loan origination for certain purposes, including payroll costs, interest on certain mortgage obligations, rent payments on certain leases, and certain qualified utility payments, provided that, among other matters, a least 60% of the loan amount is used for eligible payroll costs, the maintenance or rehiring of employees, and maintaining salaries at certain levels. In accordance with the requirements of the CARES Act and the PPP, the Organization intends to use the proceeds from the loan primarily for payroll costs.

The Organization has elected to account for this transaction as a conditional contribution, pursuant to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605, Financial Statements for Not-For-Profit Organizations – Revenue Recognition. Accordingly, the Organization asserts that loan forgiveness pursuant to the CARES Act and the PPP constitute the condition placed on the funds to be met and therefore, a contribution should be recorded at that time. As of June 30, 2020, loan forgiveness had not been granted, and accordingly all loan proceeds are recorded as a liability in the accompanying combined statements of financial position. The Organization believes full forgiveness of the loan proceeds will be granted during fiscal year 2021.

**American Indian Graduate Center, Inc.
and
American Indian Graduate Center Scholars**

NOTES TO COMBINED FINANCIAL STATEMENTS

**June 30, 2020
(With Comparative Totals for 2019)**

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Operating Leases

The Organization rents its operating facility under an operating lease which expires in December 2021. The Organization also rents small operational equipment under operating lease agreements expiring September 2022. Total rent expense under these leases was \$106,122 and \$91,787 in 2020 and 2019, respectively.

Future minimum fiscal year lease payments are as follows:

2021	\$ 104,689
2022	54,109
2023	<u>627</u>
	<u>\$ 159,425</u>

Concentrations of Risk

The Organization has investments with financial institutions (principally banks), brokerage firms, and individual mutual funds. Investments with banks consist principally of cash on deposit. These monies are subject to federal insurance limits and the Organization's balances frequently exceed amounts insured by the federal government. Investments (consisting principally of marketable equities, money market, and marketable debt instruments) with investment brokerage firms and mutual funds, while subject to certain conditions where there can be defined insurance coverage for certain situations are nevertheless, subject to declines in principal value principally due to movements in the stock and bond markets. The Organization attempts to minimize this risk through diversification and allocation strategies.

The Organization maintains cash balances, which at times may exceed federally insured limits.

Concentration of Revenues

The Organization received approximately 45% and 50% of its revenue in 2020 and 2019, respectively, from a grant agreement with UNCF. Management has been informed that this program will sunset and that the final cohort of Scholars were selected in 2017. At this time, all Scholars currently enrolled in degree programs will continue to receive full benefits of the program through the completion of their eligible programs, and no new Scholars will be awarded.

Additionally, the Organization received approximately 40% and 38% of its revenue in 2020 and 2019, respectively, from a grant agreement with the Bureau of Indian Affairs. This grant is scheduled to end September 30, 2021.

**American Indian Graduate Center, Inc.
and
American Indian Graduate Center Scholars**

NOTES TO COMBINED FINANCIAL STATEMENTS

**June 30, 2020
(With Comparative Totals for 2019)**

NOTE 9 – COMMITMENTS AND CONTINGENCIES – CONTINUED

Questioned Costs

The Organization receives grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in a request for reimbursement by the grantor agencies for expenditures disallowed under the terms and conditions of the appropriate agency. The Organization has not experienced questioned costs in the past. In the opinion of the Organization's management, such disallowances, if any, would not be significant.

Benefit Plan

The Organization maintains a defined contribution 401(k) profit sharing plan (the Plan) for its eligible employees. To be eligible, employees must have completed one month of service and be at least 21 years of age. The Plan allows the Organization a maximum 6% match for employees completing 1,000 hours of service during the Plan year. Contributions were \$53,534 and \$53,676 in 2020 and 2019, respectively.

COVID-19 Pandemic

The Secretary for the New Mexico Department of Health has mandated temporary closing of businesses that were deemed non-essential and requested citizens of the State to adopt behavioral changes in response to the COVID-19 outbreak in the State. At a national and international level, government restrictions on travel and the behavioral changes by the public due to COVID-19 outbreaks across the globe are negatively impacting various industries and the related world markets. While the disruption is expected to be temporary, there is considerable uncertainty around the duration and ultimate financial impact of these actions.

NOTE 10 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Effective for its annual financial statements for 2022, the Organization is subject to new accounting standards issued by FASB that will require significant changes in accounting for operating leases under which the Organization is a lessee. Upon adoption, among other effects, the Organization will be required to record assets and liabilities for all operating lease obligations with terms of 12 months or greater. These changes will entail certain retrospective adjustments. The qualitative effects on the Organization's future combined financial statements of these changes and related retrospective adjustments have not yet been determined.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**American Indian Graduate Center, Inc.
and
American Indian Graduate Center Scholars**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2020

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantors Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF INTERIOR BUREAU OF INDIAN EDUCATION:			
Indian Graduate Student Scholarships (Special Higher Education Scholarships)	15.059	A16PX01826/001	\$ 2,749,565
(Special Higher Education Scholarships)	15.059	A16PX01434/001	<u>2,240,469</u>
Total federal expenditures			<u>\$ 4,990,034</u>

NOTE 1 – BASIS OF PRESENTATION - The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of American Indian Graduate Center, Inc. under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of American Indian Graduate Center, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of American Indian Graduate Center, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A0122, Cost Principles for Non-profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – The Organization has elected not to use the 10% de minimis indirect cost rate as permitted by the Uniform Guidance.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
American Indian Graduate Center, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the combined financial statements of American Indian Graduate Center (AIGC), a nonprofit organization, which comprise the combined statement of financial position as of June 30, 2020, and the related combined statements of activities and changes in net assets, cash flows and functional expenses for the year then ended and the related notes to the combined financial statements and have issued our report thereon dated January 22, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered AIGC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of AIGC's internal control. Accordingly, we do not express an opinion on the effectiveness of the AIGC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of AIGC's combined financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether AIGC's combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of combined financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of AIGC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering AIGC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

January 22, 2021


Pulakos CPAs, PC

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
American Indian Graduate Center, Inc.

Report on Compliance for Each Major Federal Program

We have audited American Indian Graduate Center, Inc.'s (AIGC) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of AIGC's major federal programs for the year ended June 30, 2020. AIGC's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of AIGC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about AIGC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of AIGC's compliance.

Opinion on Each Major Federal Program

In our opinion, AIGC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of AIGC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered AIGC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of AIGC's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

January 22, 2021


Pulakos CPAs, PC

**American Indian Graduate Center, Inc.
and
American Indian Graduate Center Scholars**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2020

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: **Unmodified**

Internal control over financial reporting:
 Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X No

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X No

Type of auditors' report issued on compliance
 for major programs: **Unmodified**

Any audit findings disclosed that are required
 to be reported in accordance with 2 CFR section
 200.516(a)? _____ Yes X No

Identification of major programs:

CFDA Numbers(s)

Name of Federal Program or Cluster

15.059

Indian Graduate Student
 Scholarships (Special Higher
 Education Scholarships)

Dollar threshold used to distinguish
 between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

**American Indian Graduate Center, Inc.
and
American Indian Graduate Center Scholars**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2020

SECTION II - FINANCIAL STATEMENT AUDIT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

NONE

COMBINING SUPPLEMENTARY INFORMATION

American Indian Graduate Center, Inc.
and
American Indian Graduate Center Scholars
COMBINING STATEMENT OF FINANCIAL POSITION

June 30, 2020

<u>Assets</u>	<u>AIGC</u>	<u>AIGC Scholars</u>	<u>Combination</u>	<u>Total</u>
Current assets				
Cash	\$ 3,941,009	\$ 1,846,095	\$ -	\$ 5,787,104
Investments	2,378,878	-	-	2,378,878
Receivables, net	119,952	-	-	119,952
Intercompany due to/from	346,298	(346,298)	-	-
Other current assets	89,605	158	-	89,763
Total current assets	6,875,742	1,499,955	-	8,375,697
Property and equipment, net	80,019	5,413	-	85,432
Purpose restricted investments	909,839	-	-	909,839
Endowed investments	1,936,940	-	-	1,936,940
Total assets	<u>\$ 9,802,540</u>	<u>\$ 1,505,368</u>	<u>\$ -</u>	<u>\$ 11,307,908</u>
<u>Liabilities and Net Assets</u>				
Current liabilities				
Accounts payable and accrued liabilities	\$ 136,157	\$ -	\$ -	\$ 136,157
Scholarships payable	83,334	-	-	83,334
Refundable advances - PPP	184,906	-	-	184,906
Deferred revenue	2,159,219	693,134	-	2,852,353
Total current liabilities	2,563,616	693,134	-	3,256,750
Net assets				
Without donor restrictions	4,649,413	234,350	-	4,883,763
With donor restrictions				
Time or purpose restricted	652,571	577,884	-	1,230,455
Perpetual in nature	1,936,940	-	-	1,936,940
Total net assets	7,238,924	812,234	-	8,051,158
	<u>\$ 9,802,540</u>	<u>\$ 1,505,368</u>	<u>\$ -</u>	<u>\$ 11,307,908</u>

See Independent Auditors' Report.

**American Indian Graduate Center, Inc.
and
American Indian Graduate Center Scholars**

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2020

	<u>AIGC</u>	<u>AIGC Scholars</u>	<u>Combination</u>	<u>Total</u>
Revenues, support and gains				
Contributions and grants	\$ 1,892,792	\$ 5,802,098	\$ (6,255)	\$ 7,688,635
Federal grant	5,147,584	-	-	5,147,584
Other program revenue	138,679	-	-	138,679
Investment income	111,689	1,291	-	112,980
Realized and unrealized gains on investments	184,882	-	-	184,882
 Total revenues, support and gains	 7,475,626	 5,803,389	 (6,255)	 13,272,760
Expenses				
Program	7,177,121	5,788,868	(6,255)	12,959,734
Management	347,456	204,589	-	552,045
Fundraising	170,964	-	-	170,964
 Total expenses	 7,695,541	 5,993,457	 (6,255)	 13,682,743
 Change in net assets	 (219,915)	 (190,068)	 -	 (409,983)
 Net assets, beginning of year	 7,458,839	 1,002,302	 -	 8,461,141
 Net assets, end of year	 <u>\$ 7,238,924</u>	 <u>\$ 812,234</u>	 <u>\$ -</u>	 <u>\$ 8,051,158</u>