

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

Indian Law Resource Center, Inc.

December 31, 2007 and 2006

Indian Law Resource Center, Inc.

December 31, 2007 and 2006

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Indian Law Resource Center, Inc.
Helena, Montana

We have audited the accompanying statements of financial position of the Indian Law Resource Center, Inc., (the Center) as of December 31, 2007 and 2006 and the related statements of activities, statements of functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Center's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Indian Law Resource Center, Inc., as of December 31, 2007 and 2006, and the changes in net assets and cash flow for the years then ended in conformity with accounting principles generally accepted in the United States of America.

GALUSHA, HIGGINS AND GALUSHA, PC
Certified Public Accountants and Advisors

Helena, Montana
March 3, 2008

Indian Law Resource Center, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS		
CURRENT ASSETS	2007	2006
Cash and cash equivalents	\$ 278,638	\$ 278,142
Certificates of deposit	20,000	180,000
Grants receivable (net)	24,309	431,500
Contributions receivable	5,798	4,003
Other receivables	1,272	267
Prepaid expenses	2,181	2,273
Total current assets	<u>332,198</u>	<u>896,185</u>
PROPERTY AND EQUIPMENT - AT COST		
Net depreciable assets	16,924	11,824
OTHER ASSETS		
Deposits	1,325	1,325
Seminole and Gar Creek land purchase	420,269	420,269
Investments	10,614	11,002
	<u>432,208</u>	<u>432,596</u>
TOTAL ASSETS	<u>\$ 781,330</u>	<u>\$1,340,605</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 38,447	\$ 8,025
Accrued salaries and vacation payable	41,605	30,571
Payroll taxes payable	3,766	1,322
Total current liabilities	<u>83,818</u>	<u>39,918</u>
NET ASSETS		
Unrestricted	42,132	160,427
Temporarily restricted	618,287	1,107,342
Permanently restricted	37,093	32,918
TOTAL NET ASSETS	<u>697,512</u>	<u>1,300,687</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 781,330</u>	<u>\$1,340,605</u>

The accompanying notes are an integral part of these financial statements.

Indian Law Resource Center, Inc.

STATEMENT OF ACTIVITIES

for the year ended December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE				
Contributions	\$ 78,191	\$ -	\$ 4,175	\$ 82,366
Grants	306,347	403,809	-	710,156
Bequests and trusts	27,986	-	-	27,986
Interest	17,034	1,726	-	18,760
Other	1,364	-	-	1,364
Realized and unrealized gains and (losses) on investments	-	(388)	-	(388)
Released from restrictions	894,202	(894,202)	-	-
Total support and revenue	<u>1,325,124</u>	<u>(489,055)</u>	<u>4,175</u>	<u>840,244</u>
EXPENSES				
Program services	1,173,562	-	-	1,173,562
Management and general	133,722	-	-	133,722
Fund raising	136,135	-	-	136,135
Total expenses	<u>1,443,419</u>	<u>-</u>	<u>-</u>	<u>1,443,419</u>
Increase (decrease) in net assets	(118,295)	(489,055)	4,175	(603,175)
Net assets at beginning of year	160,427	1,107,342	32,918	1,300,687
Net assets at end of year	<u>\$ 42,132</u>	<u>\$ 618,287</u>	<u>\$ 37,093</u>	<u>\$ 697,512</u>

The accompanying notes are an integral part of these financial statements.

Indian Law Resource Center, Inc.

STATEMENT OF ACTIVITIES

for the year ended December 31, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE				
Contributions	\$ 94,622	\$ 250	\$ 6,460	\$ 101,332
Grants	546,236	766,500	-	1,312,736
Bequests and trusts	21,205	-	-	21,205
Interest	8,024	999	-	9,023
Other	3,701	-	-	3,701
Realized and unrealized gains and (losses) on investments	-	1,269	-	1,269
Released from restrictions	539,400	(539,400)	-	-
Total support and revenue	<u>1,213,188</u>	<u>229,618</u>	<u>6,460</u>	<u>1,449,266</u>
EXPENSES				
Program services	1,020,892	-	-	1,020,892
Management and general	123,390	-	-	123,390
Fund raising	98,311	-	-	98,311
Total expenses	<u>1,242,593</u>	<u>-</u>	<u>-</u>	<u>1,242,593</u>
Increase (decrease) in net assets	(29,405)	229,618	6,460	206,673
Net assets at beginning of year	189,832	877,724	26,458	1,094,014
Net assets at end of year	<u>\$ 160,427</u>	<u>\$ 1,107,342</u>	<u>\$ 32,918</u>	<u>\$ 1,300,687</u>

The accompanying notes are an integral part of these financial statements.

Indian Law Resource Center, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

for the year ended December 31, 2007

	Program Services	Supporting Services			Total Program Services and Supporting Services
	Total	Management and General	Fund Raising	Total	
FUNCTIONAL EXPENSES					
Salaries and wages	\$ 581,632	\$ 83,998	\$ 36,731	\$ 120,729	\$ 702,361
Employee fringe benefits and payroll taxes	177,530	7,717	10,248	17,965	195,495
Contract services	146,678	6,746	56,686	63,432	210,110
Travel	128,534	16,296	13,599	29,895	158,429
Occupancy expense	41,745	8,293	3,708	12,001	53,746
Property and equipment expense	12,744	2,263	3,442	5,705	18,449
Advertising	-	495	844	1,339	1,339
Contribution expense	28,350	-	-	-	28,350
Dues and registration	3,195	1,654	1,857	3,511	6,706
Duplicating and printing	11,507	187	4,630	4,817	16,324
Hosting and meals	3,981	1,985	442	2,427	6,408
Insurance	3,168	382	321	703	3,871
Miscellaneous	760	375	37	412	1,172
On-line services	11,484	192	156	348	11,832
Postage and delivery	2,540	914	1,224	2,138	4,678
Staff development	-	255	-	255	255
Subscriptions and books	2,051	22	311	333	2,384
Supplies	8,510	1,103	1,307	2,410	10,920
Telephone	9,153	845	592	1,437	10,590
Totals	<u>\$ 1,173,562</u>	<u>\$ 133,722</u>	<u>\$ 136,135</u>	<u>\$ 269,857</u>	<u>\$ 1,443,419</u>

The accompanying notes are an integral part of these financial statements.

Indian Law Resource Center, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

for the year ended December 31, 2006

	Program Services	Supporting Services			Total Program Services and Supporting Services
	Total	Management and General	Fund Raising	Total	
FUNCTIONAL EXPENSES					
Salaries and wages	\$ 522,281	\$ 74,591	\$ 63,818	\$ 138,409	\$ 660,690
Employee fringe benefits and payroll taxes	171,116	23,892	21,384	45,276	216,392
Contract services	69,173	1,017	1,217	2,234	71,407
Travel	105,313	10,685	123	10,808	116,121
Occupancy expense	38,537	5,976	5,106	11,082	49,619
Property and equipment expense	10,370	1,379	1,167	2,546	12,916
Advertising	555	-	569	569	1,124
Contribution expense	31,924	-	-	-	31,924
Dues and registration	3,061	118	1,622	1,740	4,801
Duplicating and printing	22,309	70	427	497	22,806
	-	-	-	-	-
Insurance	3,477	320	297	617	4,094
Miscellaneous	3,397	504	317	821	4,218
On-line services	8,601	121	114	235	8,836
Postage and delivery	5,588	353	498	851	6,439
Staff development	575	2,899	3	2,902	3,477
Subscriptions and books	4,972	-	240	240	5,212
Supplies	8,853	811	895	1,706	10,559
Telephone	10,790	654	514	1,168	11,958
Totals	<u>\$ 1,020,892</u>	<u>\$ 123,390</u>	<u>\$ 98,311</u>	<u>\$ 221,701</u>	<u>\$ 1,242,593</u>

The accompanying notes are an integral part of these financial statements.

Indian Law Resource Center, Inc.

STATEMENTS OF CASH FLOWS

for the years ended December 31,

	<u>2007</u>	<u>2006</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ (603,175)	\$ 206,673
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	4,486	7,276
(Gains) losses on investments	388	(1,269)
Change in assets and liabilities		
(Increase) decrease in accounts receivable	404,391	57,429
(Increase) decrease in prepaid expenses and deposits	92	197
Increase (decrease) increase in accounts payable	30,422	(15,075)
Increase (decrease) increase in accrued expenses	11,034	(1,668)
Increase (decrease) increase in payroll taxes payable	2,444	(2)
Receipt of permanently restricted net assets	(4,175)	(6,460)
Net cash provided by (used in) operating activities	<u>(154,093)</u>	<u>247,101</u>
Cash Flows From Investing Activities		
Cash received from sales of CD's and investments	581,000	199,000
Cash payments for equipment	(9,586)	(4,567)
Cash payments for CD's and investments	(421,000)	(348,999)
Net cash provided by (used in) investing activities	<u>150,414</u>	<u>(154,566)</u>
Cash Flows From Financing Activities		
Receipt of permanently restricted net assets	4,175	6,460
Net increase (decrease) in cash	<u>496</u>	<u>98,995</u>
Cash balance, January 1,	<u>278,142</u>	<u>179,147</u>
Cash balance, December 31,	<u><u>\$ 278,638</u></u>	<u><u>\$ 278,142</u></u>

The accompanying notes are an integral part of these financial statements.

Indian Law Resource Center, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the Center's significant accounting policies consistently applied in the preparation of the accompanying financial statements:

1. Nature of Activities - The Indian Law Resource Center is a non-profit law and advocacy organization established and directed by Native Americans. The Center provides assistance to tribes and other indigenous peoples in the United States and in Central America and South America, who are working to protect their land, resources, human rights, environment and cultural heritage.
2. Basis of Accounting - The financial statements of the Center have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.
3. Financial Statement Presentation - The Center has adopted Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Made", and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations". SFAS No. 116 requires that unconditional promises to give (pledges) be recorded as receivables and revenues. It also requires the organization to distinguish between contributions received for each net asset category in accordance with donor imposed restrictions. SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. A description of the three net asset categories follows:

Unrestricted net assets include assets which are available for general operations of the Center.

Temporarily restricted net assets include gifts for which donor imposed restrictions have not been met and pledges receivable for which the ultimate purpose of the proceeds is not permanently restricted.

Permanently restricted net assets include gifts, trusts, and pledges which require by donor restriction that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

4. Property and Equipment - Furniture, fixtures, and equipment are recorded at cost less accumulated depreciation. Donated assets are recorded at fair market value at the time of the gift. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Asset lives range from 5 to 10 years.

Continued

Indian Law Resource Center, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Recognition of Donor Restrictions - The Center reports gifts of cash and other assets as restricted support if they are 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 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.
6. Cash and Cash Equivalents - For the purpose of reporting cash flows, cash and cash equivalents include money market accounts and any highly liquid debt instruments that mature in three months or less.
7. Grants Receivable - For the purposes of recording grants receivable a present value factor is applied to arrive at the amounts reported. See Note C for further information. The Center considers grants receivable fully collectible; accordingly, no allowance for uncollectible grants has been provided.
8. Investments - The Center adopted SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets unless the income or loss is restricted by donor or law.
9. General and Administrative Expenses - General and administrative expenses which are not directly chargeable to specific projects are reported as supporting services - management and general.
10. Advertising - The Center uses advertising to encourage contributions and to announce employment opportunities. The production costs of advertising are expensed as incurred. During 2007 and 2006, advertising costs totaled \$1,339 and \$1,124, respectively.
11. Income Taxes - The Center was incorporated on April 5, 1978 in Washington, D.C. pursuant to the D.C. non-profit corporation act and is exempt from federal taxation under Section 501 (c) (3) of the Internal Revenue Code. It is a publicly supported non-profit organization that is not a private foundation under Section 509 (a) (2) of Internal Revenue Code and qualifies for the 50% charitable contributions deduction for individual donors. The Center is also exempt from D.C. Corporate Franchise Tax.

The Center conducts programs of public education and legal representation on issues concerning Indian peoples worldwide. It has offices in Washington D.C. and Helena, Montana.

Continued

Indian Law Resource Center, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

13. Compensated Absences - The Center accrues a liability for earned but unused vacation benefits.

NOTE B - CONCENTRATION OF CREDIT RISK

The Center has cash on deposit at D.A. Davidson of \$185,027 in 2007 and \$189,135 in 2006. The SIPC limit of \$500,000 sufficiently covers the deposits.

NOTE C - GRANTS RECEIVABLE

	2007	2006
Within one year	\$ 24,309	\$431,500
In one to five years	-	-
	24,309	431,500
Less:		
Discounts for the time-value of money	-	-
Amount of statement of financial position	\$ 24,309	\$431,500
Grant Receivable:		
Current portion	\$ 24,309	\$431,500
Long-term portion	-	-
Total	\$ 24,309	\$431,500

Conditional Grants:

If grant provisions are met, collection will be as follows:

2008 \$119,000

Based on the conditional nature of these grants, revenues have not been recognized and receivables have not been recorded.

Continued

Indian Law Resource Center, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE D - PROPERTY AND EQUIPMENT, NET

	2007	2006
Furniture and fixtures	\$ 25,922	\$ 25,922
Office equipment	55,673	48,915
Research library	28,787	28,787
Leasehold improvements	1,393	1,393
	\$ 111,775	\$105,017
Accumulated depreciation	94,851	93,193
Net property and equipment	\$ 16,924	\$ 11,824

NOTE E - GAR CREEK SEMINOLE LAND PURCHASE

The Center began work in 1998 to assist the Gar Creek Seminoles of Oklahoma in acquiring land for use for their cultural preservation and ceremonial purposes. To this end, 590 acres in Seminole County, Oklahoma were purchased with a grant from Lannan Foundation. A new non-profit corporation is being formed to which the land will be transferred.

NOTE F - INVESTMENTS

Investments are carried at fair market value. Investments for the years ending December 31, 2007 and 2006 are as follows:

	2007		2006	
	Cost	Fair Market Value	Cost	Fair Market Value
Mutual Funds	\$ 10,000	\$ 10,614	\$ 10,000	\$ 11,002

Continued

Indian Law Resource Center, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE G - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets result from inflows whose use is restricted by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by action of the organization.

	<u>2007</u>	<u>2006</u>
Cinnabar Foundation	\$ 1,871	\$ -
Ford Foundation (General Support)	-	225,000
Ford Foundation (Communications)	33,273	213,670
Haundenosaunee Central Fund	55,200	-
Indian Land Tenure Foundation	846	49,686
Kongsgaard-Goldman Foundation	6,222	5,431
Lannan Foundation (Seminole Land Purchase)	420,269	420,269
Libra Foundation	-	50,000
CS Mott	41,852	71,013
Oak Foundation (Regranting)	34,202	37,202
Organization of American States	-	13,000
Overbrook Foundation	19,953	-
Patagonia, Inc.	-	7,000
US Human Rights Fund	630	11,115
Vine Deloria Jr. Library Fund	624	1,100
Temporarily Restricted Contributions	-	250
Interest on Endowment	3,345	2,607
	<u>\$ 618,287</u>	<u>\$ 1,107,343</u>

Continued

Indian Law Resource Center, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE G - TEMPORARILY RESTRICTED NET ASSETS, continued

Net assets released from restrictions by incurring expenses satisfying the purpose specified are as follows:

	<u>2007</u>	<u>2006</u>
Cinnabar Foundation	\$ 3,129	\$ -
Ford Foundation (General Support)	225,000	-
Ford Foundation (Communications)	180,398	168,026
Haundensaunee Central Fund	9,800	-
Indian Land Tenure Foundation	150,148	24,314
Jay Kenney Foundation	3,778	-
Kongsgaard-Goldman Foundation	5,431	4,569
Lannan Foundation	-	192,171
Libra Foundation	50,000	-
C.S. Mott Foundation	129,161	58,910
Oak Foundation (Regranting)	28,000	30,924
Organization of American States	13,000	-
Overbrook Foundation	15,047	-
Patagonia, Inc.	7,000	7,779
US Human Rights Fund	72,985	51,385
Vine Deloria Jr. Library Fund	476	1,322
Temporarily Restricted Contributions	250	-
Interest on Endowment	599	-
	<u>\$ 894,202</u>	<u>\$ 539,400</u>

NOTE H - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets result from inflows whose use is restricted by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled by actions of the organization.

In 2000, the Center's Board of Directors established a permanent endowment fund. As of December 31, 2007 and 2006, this fund has a permanently restricted balance of \$37,093 and \$32,918, respectively.

Continued

Indian Law Resource Center, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE I - COMMITMENTS

1. Office Lease

The Center has the following lease agreements for office space:

Washington, DC - Under a three-year lease agreement ending July 31, 1997, the Center leased office space for \$2,182 per month. The lease became a month-to-month lease in August, 1997, at the same monthly rate. There are no minimum future lease payments.

Helena, Montana - The Center leases space under a five-year lease which expires April 30, 2010. The current rent is approximately \$1,152 per month. As more fully described in Note K, the lease is with the Center's executive director.

2. Copier Lease

The Center is leasing a copier from Wells Fargo Bank. It is a 60-month lease beginning February 8, 2007 for \$134 per month.

Future minimum lease payments are as follows as of December 31, 2007.

2008	\$ 1,608
2009	1,608
2010	1,608
2011	1,608
2012	134
Total	<u>\$ 6,566</u>

3. Sub Grant

In February 2006, the Center received a four-year grant totaling \$600,000 (\$200,000 for year one, \$150,000 for years two and three, and \$100,000 for year four) from the Oak Foundation. The grantor requires that the Center give sub-grants tallying \$100,000 over the four-year period (\$30,000 committed to sub-grants in year one, \$25,000 committed for years two and three, and \$20,000 in year four). As of December 31, 2007 the Center had received \$500,000 from the Oak Foundation and had given sub-grants totaling \$45,799. Thus, as of December 31, 2007, the Center is committed to giving \$34,201 in sub-grants under the Oak Foundation's requirements.

Continued

Indian Law Resource Center, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE J - ALLOCATION OF MANAGEMENT AND GENERAL EXPENSES

The Center allocates general and administrative expenses to its programs in order to accurately account for program costs. The allocation is based on direct expenses and direct time incurred by each program and has been allocated as follows for the year ended December 31:

	2007		
	Direct Operating Expenses	Management and General Expenses	Total
Program services	\$ 1,173,562	\$ 125,578	\$ 1,299,140
Fundraising	136,135	8,144	\$ 144,279
Total expenses	\$ 1,309,697	\$ 133,722	\$ 1,443,419
	2006		
	Direct Operating Expenses	Management and General Expenses	Total
Program services	\$ 1,020,892	\$ 110,736	\$ 1,131,628
Fundraising	98,311	12,654	\$ 110,965
Total expenses	\$ 1,119,203	\$ 123,390	\$ 1,242,593

NOTE K - RELATED PARTY TRANSACTIONS

Beginning May 15, 1995, the Center entered into a five-year lease to rent its Helena, Montana office space from related-party owners, the Center's executive director and his spouse. The lease was renewed for additional five-year terms beginning May 1, 2000 and May 1, 2005. Terms of the lease state that "the annual rent shall not exceed the total of principal, interest, taxes and insurance that is payable by Lessors each year." Thus, the rent amount is adjusted each year to reflect changes in these items. However, to limit the potential liability to the Center, the lease also sets a maximum monthly rent amount of \$1,666.67. In 2007, the Center paid an equivalent of \$1,152 per month. In 2006, the Center paid an equivalent of \$1,149 per month.

Future minimum lease payments are as follows as of December 31, 2007:

2008	\$13,824
2009	13,824
2010	4,608

Continued

Indian Law Resource Center, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2007 and 2006

NOTE K - RELATED PARTY TRANSACTIONS, continued

From time to time, the Center seeks the opinion of a real estate professional to ensure that the rent paid on the Helena office is at or below market value. The most recent such opinion estimated the market value of this space at \$2,750 per month. The Center continues to rent its office space at significantly below market value.

NOTE L - PENSION PLAN

In July 1991, the Center started a defined contribution retirement plan. The Center contributes 7.0% of compensation of those eligible to participate in the plan. Total contribution for 2007 and 2006 was \$32,318 and \$45,153, respectively.

NOTE M - CHARITABLE REMAINDER ANNUITY TRUST

In October 1998, the Indian Law Resource Center was designated the beneficiary of a charitable remainder annuity trust in the amount of \$100,000. As a condition of the trust, assets of the trust are owned by the Montana Community Foundation. In January 1999, the Center received a second trust from the same donor, also in the amount of \$100,000. During 2002, the donor of the two trusts passed away. As established in the original trust agreements, the principal of the two trusts was then transferred to the Indian Law Resource Center Endowment at the Montana Community Foundation. As of December 31, 2007 and 2006, the principal balance of the Endowment was \$205,953 and \$197,649, respectively.

The endowment is not carried as an asset on the statement of financial position since the Center does not have variance power over the endowment.

NOTE N – RECLASSIFICATIONS

Certain 2006 amounts in the statement of activities and statement of other programs' functional support, revenue and expenses have been reclassified to conform with the 2007 classifications. These reclassifications have no effect on net assets.

Concluded