

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

**Indian Law Resource Center, Inc.**

*December 31, 2008 and 2007*

# Indian Law Resource Center, Inc.

*December 31, 2008 and 2007*

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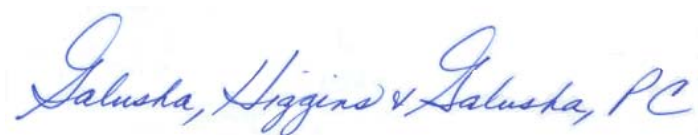
## INDEPENDENT AUDITOR'S REPORT

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, 2008 and 2007 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, 2008 and 2007, 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 18, 2009

**Indian Law Resource Center, Inc.**  
**STATEMENTS OF FINANCIAL POSITION**  
*December 31,*

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ASSETS

	<b>2008</b>	2007
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 296,880	\$ 278,638
Certificates of deposit	50,000	20,000
Grants receivable (net)	457,038	24,309
Contributions receivable	6,517	5,798
Other receivables	6,070	1,272
Prepaid expenses	8,488	2,181
Total current assets	<b>824,993</b>	332,198
 <b>PROPERTY AND EQUIPMENT - AT COST</b>		
Net depreciable assets	15,757	16,924
 <b>OTHER ASSETS</b>		
Deposits	1,325	1,325
Seminole and Gar Creek land purchase	420,269	420,269
Investments	9,562	10,614
Total other assets	<b>431,156</b>	432,208
<b>TOTAL ASSETS</b>	<b>\$ 1,271,906</b>	<b>\$ 781,330</b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 17,566	\$ 38,447
Accrued salaries and vacation payable	45,201	41,605
Payroll taxes payable	2,671	3,766
Total current liabilities	<b>65,438</b>	83,818
 <b>NET ASSETS</b>		
Unrestricted	(23,466)	42,132
Temporarily restricted	1,184,172	618,287
Permanently restricted	45,762	37,093
TOTAL NET ASSETS	<b>1,206,468</b>	697,512
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,271,906</b>	<b>\$ 781,330</b>

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, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>				
Contributions	\$ 64,095	\$ 250	\$ 8,669	\$ 73,014
Grants	695,252	1,118,690	-	1,813,942
Bequests and trusts	18,903	-	-	18,903
Contract services	2,645	10,000	-	12,645
Interest	5,643	1,963	-	7,606
Other	2,020	-	-	2,020
Realized and unrealized gains and (losses) on investments	(6,474)	422	-	(6,052)
Released from restrictions	565,440	(565,440)	-	-
Total support and revenue	<u>1,347,524</u>	<u>565,885</u>	<u>8,669</u>	<u>1,922,078</u>
<b>EXPENSES</b>				
Program services	1,056,498	-	-	1,056,498
Management and general	240,218	-	-	240,218
Fund raising	116,406	-	-	116,406
Total expenses	<u>1,413,122</u>	<u>-</u>	<u>-</u>	<u>1,413,122</u>
Increase (decrease) in net assets	<u>(65,598)</u>	<u>565,885</u>	<u>8,669</u>	<u>508,956</u>
Net assets at beginning of year	42,132	618,287	37,093	697,512
Net assets at end of year	<u>\$ (23,466)</u>	<u>\$ 1,184,172</u>	<u>\$ 45,762</u>	<u>\$ 1,206,468</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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>				
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>
<b>EXPENSES</b>				
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	<u>(118,295)</u>	<u>(489,055)</u>	<u>4,175</u>	<u>(603,175)</u>
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 FUNCTIONAL EXPENSES**  
*for the year ended December 31, 2008*

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	Program	Supporting Services			Total Program Services and Supporting Services
	Services	Management and General	Fund Raising	Total	
	Total				
<b>FUNCTIONAL EXPENSES</b>					
Salaries and wages	\$ 562,304	\$ 127,568	\$ 39,099	\$ 166,667	\$ 728,971
Employee fringe benefits and payroll taxes	147,446	33,747	10,083	43,830	191,276
Contract services	114,025	14,733	44,556	59,289	173,314
Travel	97,172	27,391	7,638	35,029	132,201
Occupancy expense	39,499	16,030	4,056	20,086	59,585
Property and equipment expense	9,658	3,463	960	4,423	14,081
Advertising	-	2,620	677	3,297	3,297
Contribution expense	29,255	-	-	-	29,255
Dues and registration	835	4,668	2,390	7,058	7,893
Duplicating and printing	16,966	587	2,508	3,095	20,061
Hosting and meals	2,253	2,322	533	2,855	5,108
Insurance	3,089	789	355	1,144	4,233
Miscellaneous	602	332	11	343	945
On-line services	11,783	622	266	888	12,671
Postage and delivery	3,332	1,370	1,154	2,524	5,856
Staff development	995	625	-	625	1,620
Subscriptions and books	1,386	79	311	390	1,776
Supplies	8,073	1,786	1,128	2,914	10,987
Telephone	7,825	1,486	681	2,167	9,992
Totals	<u>\$ 1,056,498</u>	<u>\$ 240,218</u>	<u>\$ 116,406</u>	<u>\$ 356,624</u>	<u>\$ 1,413,122</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	Supporting Services			Total Program Services and Supporting Services
	Services	Management and General	Fund Raising	Total	
	Total			Total	
<b>FUNCTIONAL EXPENSES</b>					
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.

### STATEMENTS OF CASH FLOWS

*for the years ended December 31,*

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	<u>2008</u>	<u>2007</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 508,956	\$ (603,175)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	6,443	4,486
(Gains) losses on property and equipment	418	-
(Gains) losses on investments	6,052	388
Change in assets and liabilities		
(Increase) decrease in grants receivable	(438,246)	404,391
(Increase) decrease in prepaid expenses and deposits	(6,307)	92
Increase (decrease) in accounts payable	(20,881)	30,422
Increase (decrease) in accrued expenses	3,596	11,034
Increase (decrease) in payroll taxes payable	(1,095)	2,444
Receipt of permanently restricted net assets	(8,669)	(4,175)
Net cash provided by (used in) operating activities	<u>50,267</u>	<u>(154,093)</u>
Cash Flows From Investing Activities		
Cash received from sales of CD's and investments	195,000	581,000
Cash payments for equipment	(5,694)	(9,586)
Cash payments for CD's and investments	(230,000)	(421,000)
Net cash provided by (used in) investing activities	<u>(40,694)</u>	<u>150,414</u>
Cash Flows From Financing Activities		
Receipt of permanently restricted net assets	8,669	4,175
Net increase (decrease) in cash	<u>18,242</u>	<u>496</u>
Cash balance, January 1,	<u>278,638</u>	<u>278,142</u>
Cash balance, December 31,	<u>\$ 296,880</u>	<u>\$ 278,638</u>

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

## Indian Law Resource Center, Inc.

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2008 and 2007

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#### 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, 2008 and 2007

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#### 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 2008 and 2007, advertising costs totaled \$3,297 and \$1,339, 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, 2008 and 2007*

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#### 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 \$220,699 in 2008 and \$185,027 in 2007. Accounts at D.A. Davidson are insured by the Securities Investor Protection Corporation up to \$500,000. This figure includes a maximum of \$100,000 on claims for cash. At December 31, 2008 and 2007, the Center's uninsured cash balances at D.A. Davidson totaled \$120,699 and \$85,027, respectively.

#### NOTE C - GRANTS RECEIVABLE

	<u>2008</u>	<u>2007</u>
Within one year	\$ 470,500	\$ 24,309
In one to five years	-	-
	<u>470,500</u>	<u>24,309</u>
Less:		
Discounts for the time-value of money	<u>(13,462)</u>	-
Amount on statement of financial position	<u>\$ 457,038</u>	<u>\$ 24,309</u>
Grant Receivable:		
Current portion	\$ 457,038	\$ 24,309
Long-term portion	-	-
Total	<u>\$ 457,038</u>	<u>\$ 24,309</u>

#### NOTE D - PROPERTY AND EQUIPMENT, NET

A summary of property and equipment is as follows:

	<u>2008</u>	<u>2007</u>
Furniture and fixtures	\$ 25,922	\$ 25,922
Office equipment	58,993	55,673
Research library	28,787	28,787
Leasehold improvements	1,393	1,393
	<u>\$ 115,095</u>	<u>\$ 111,775</u>
Accumulated depreciation	99,338	94,851
Net property and equipment	<u>\$ 15,757</u>	<u>\$ 16,924</u>

Continued

## Indian Law Resource Center, Inc.

### NOTES TO THE FINANCIAL STATEMENTS

*December 31, 2008 and 2007*

#### 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, 2008 and 2007 are as follows:

	2008		2007	
	Cost	Fair Market Value	Cost	Fair Market Value
	Mutual Funds	<b>\$ 15,000</b>	<b>\$ 9,562</b>	\$ 10,000

#### 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.

	2008	2007
Cinnabar Foundation	\$ -	\$ 1,871
Ford Foundation	<b>253,646</b>	33,273
Haundenosaunee Central Fund	<b>55,200</b>	55,200
Indian Land Tenure Foundation	-	846
Jay Kenney Foundation	-	6,222
Lannan Foundation (Seminole Land Purchase)	<b>420,269</b>	420,269
Lannan Foundation	<b>248,727</b>	-
CS Mott Foundation	<b>93,895</b>	41,852
Oak Foundation (Regranting)	<b>24,946</b>	34,202
Overbrook Foundation	-	19,953
Patagonia, Inc.	<b>119</b>	-
Philanthropic Collaborative	<b>38,800</b>	-
US Human Rights Fund	<b>48,077</b>	630
Vine Deloria Jr. Library Fund	<b>493</b>	624
Interest on Endowment	-	3,345
	<b>\$1,184,172</b>	\$ 618,287

Continued

## Indian Law Resource Center, Inc.

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2008 and 2007

#### NOTE G - TEMPORARILY RESTRICTED NET ASSETS, continued

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

	<u>2008</u>	<u>2007</u>
Cinnabar Foundation	\$ 1,871	\$ 3,129
Ford Foundation	41,973	405,398
Haundensaunee Central Fund	-	9,800
Indian Land Tenure Foundation	110,346	150,148
Jay Kenney Foundation	6,222	3,778
Katz Family Fund	20,000	-
Kongsgaard-Goldman Foundation	-	5,431
Lannan Foundation	126,273	-
Libra Foundation	-	50,000
C.S. Mott Foundation	95,071	129,161
Oak Foundation (Regranting)	29,255	28,000
Organization of American States	-	13,000
Overbrook Foundation	54,953	15,047
Patagonia, Inc.	9,881	7,000
Philanthropic Collaborative	11,200	-
US Human Rights Fund	52,282	72,985
Vine Deloria Jr. Library Fund	132	476
Temporarily Restricted Contributions	250	250
Interest on Endowment	5,731	599
	<u>\$ 565,440</u>	<u>\$ 894,202</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, 2008 and 2007, this fund has a permanently restricted balance of \$45,762 and \$37,093, respectively.

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## Indian Law Resource Center, Inc.

### NOTES TO THE FINANCIAL STATEMENTS

December 31, 2008 and 2007

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#### NOTE I - COMMITMENTS

1. Office Lease

The Center has the following lease agreements for office space:

*Washington, DC* - The Center entered into a new three-year lease beginning July 1, 2008 and extending until June 30, 2011. The rent is \$2,400 per month.

Future minimum lease payments are as follows as of December 31, 2008.

2009	\$ 28,800
2010	28,800
2011	14,400
Total	<u>\$ 72,000</u>

*Helena, Montana* - The Center leases space under a five-year lease which expires April 30, 2010. The current rent is approximately \$1,161 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, 2008.

2009	\$ 1,608
2010	1,608
2011	1,608
2012	134
Total	<u>\$ 4,958</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, 2008 the Center had received \$600,000 from the Oak Foundation and had given sub-grants totaling \$75,054. Thus, as of December 31, 2008, the Center is committed to giving \$24,946 in sub-grants under the Oak Foundation's requirements.

Continued

## Indian Law Resource Center, Inc.

### NOTES TO THE FINANCIAL STATEMENTS

*December 31, 2008 and 2007*

#### 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:

	2008		
	Direct Operating Expenses	Management and General Expenses	Total
Program services	\$ 1,056,498	\$ 224,600	\$ 1,281,098
Fundraising	116,406	15,618	132,024
Total expenses	\$ 1,172,904	\$ 240,218	\$ 1,413,122
	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

#### 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 2008, the Center paid an equivalent of \$1,161 per month. In 2007, the Center paid an equivalent of \$1,152 per month.

Future minimum lease payments are as follows as of December 31, 2008:

2009	\$13,932
2010	4,644

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## **Indian Law Resource Center, Inc.**

### NOTES TO THE FINANCIAL STATEMENTS

*December 31, 2008 and 2007*

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#### **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 2008 and 2007 was \$45,569 and \$32,318, 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, 2008 and 2007, the principal balance of the Endowment was \$145,718 and \$205,953, 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.

Concluded