The Native American Rights Fund is a non-profit organization specializing in the protection of Indian rights. The priorities of NARF are: (1) the preservation of tribal existence; (2) the protection of tribal natural resources; (3) the promotion of human rights; (4) the accountability of governments to Native Americans; and (5) the development of Indian law.

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Tax Status
The Native American Rights Fund (NARF) is a nonprofit, charitable organization incorporated in 1971 under the laws of the District of Columbia. NARF is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. Contributions to NARF are tax deductible. The Internal Revenue Service has ruled that NARF is not a "private foundation" as defined in Section 509(a) of the Internal Revenue Code. Founded in 1970 and incorporated in 1971 in Washington, D.C.

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Chairman's Letter

Since 1970, the Native American Rights Fund has been strengthening and protecting the rights of Native Americans. Over the last 16 years, NARF has been victorious in the courts and in Congress on behalf of Native Americans. These victories include: establishing a homeland for the Kickapoo Tribe of Texas, asserting treaty fishing rights of the Bay Mills Indian Community in Michigan, settling historic land claims for the Passamaquoddy and Penobscot Tribes of Maine, and winning major Supreme Court decisions for the Blackfeet Tribe of Montana and the Oneida Tribe of Wisconsin.

However, these victories cannot allow us to be complacent. There is much more work to be done for Native Americans. This year, NARF was involved in several water rights cases for many western tribes, land claims for several eastern tribes, and rights of tribal self-government for Alaska Native villages. NARF was also involved in issues relating to Indian education, voting rights and Native American religious beliefs and practices.

As Chairman of the Board of Directors, I have the firm belief that NARF is a vital advocate for the rights of all Native Americans. NARF's victories on behalf of Indian people, thus far, have provided invaluable resources, tribal rights and independence for Native Americans. We thank all of you who have supported us in the past and we hope you will continue to do so now and in the future.

Chris McNeil, Jr.
Chairman
Executive Director's Report

In 1986 the Native American Rights Fund continued to provide legal advice and representation to Indian tribes, organizations and individuals on issues of major significance to Indian people throughout the nation. The access to justice made possible by NARF's assistance resulted in several important legal victories in fiscal year 1986 for Native Americans.

A long legislative fight over tribal self-government was successfully concluded when the State of Nebraska returned to the Winnebago Tribe criminal jurisdiction over their reservation that the State had been given under a 1953 federal law. The Tribe will once again exercise misdemeanor jurisdiction over its own members while the federal government assumes jurisdiction for other offenses committed on the reservation.

The Southern Ute Tribe, represented by NARF, and the Ute Mountain Ute Tribe reached an agreement with the State of Colorado, non-Indian water users and the Department of the Interior that would settle their tribal reserved water rights claims after lengthy negotiations. If approved by Congress, the settlement will provide the Tribes $60.5 million in development funds, 87,000 acre-feet of water from federal project facilities, and 42,000 acre-feet of water from rivers crossing their reservations.

The Pamunkey Tribe, recognized by the State of Virginia but not the federal Bureau of Indian Affairs, was approved as a tribal government by the Internal Revenue Service eligible for tax treatment as a government under the Tribal Government Tax Status Act. Alaska Native reindeer herders represented by NARF were successful in gaining federal legislation that protected the tax-exempt status of their income from reindeer herds held in trust for them by the federal government.

The United States Supreme Court struck down a North Dakota law which denied tribal access to state courts unless tribal immunity from suit was waived and state law was applied. NARF filed an amicus curiae brief in the case for the Turtle Mountain Chippewa Tribe of North Dakota.

Several California tribes were successful in ending a Bureau of Indian Affairs practice of blocking tribal elections on tribal constitutional amendments that the BIA disliked. Another court ruling for the Walker River Paiute Tribe of Nevada declared federal approval of mining leases on tribal land invalid without tribal consent.

In a case where NARF served as co-counsel for several Indian voters, a large school district on the Cheyenne River Sioux reservation in South Dakota agreed to expand the number of polling places for school board elections from one to five to conform with the 1965 Voting Rights Act. Eligibility for funding under the Tribally Controlled Community Colleges Act was also established for the Chippewa-Cree Tribe's Stone Child College in Montana.

Finally, a settlement was reached in a case involving overcharges by petroleum companies in violation of recent oil pricing regulations which provides that Indian tribes are entitled to an equitable share of the refunds owed by the companies. States are required to fund tribal energy-related restitutionary programs out of their $660 million share according to the settlement negotiated on behalf of the National Congress of American Indians.

These 1986 achievements would not have been possible without the financial assistance of our many generous supporters. We thank everyone who supported us in 1986 — you deserve much of the credit for the legal progress made by Native Americans during the year. We hope that your assistance will continue into 1987 and beyond.

John E. Echohawk
Executive Director
NARF is governed by a thirteen-member Board of Directors composed entirely of Native American people from throughout the country. The Board of Directors decides the direction of NARF's activities under the priorities and policies they have established. Members are chosen on the basis of their involvement in and knowledge of Indian affairs and issues.

Current members of the Board of Directors are:

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Michigan

(Leonard Norris’ term on the board expired last fall. Kayate, a Laguna Pueblo, served from 1981 to 1986.)

(Wade Teeple)
The National Support Committee was established in 1978 to assist NARF in its fundraising efforts nationwide. Some of the individuals on the Committee are prominent in the field of business, entertainment and the arts. Others are known advocates for the rights of the underserved. All of the volunteers on the Committee are committed to upholding Indian rights for America's Native Americans.

Owanah Anderson (Choctaw)
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Katrina McCormick Barnes
David Brubeck
Ben Nighthorse Campbell (Northern Cheyenne)
Iron Eyes Cody (Cherokee-Cree)
Val Cordova (Taos Pueblo)
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Connie Stevens
Maria Tallchief (Osage)
Studs Terkel
Ruth Thompson
Tenya Torres (Chiricahua Apache)
Thomas N. Tureen
Dennis Weaver
In 1986, the Native American Rights Fund conducted its 16th year of operations as the national Indian legal defense fund. During the year, NARF attorneys argued cases before the Supreme Court, federal courts and administrative agencies to protect the rights of Native Americans. These cases ranged from ensuring fair voting practices for Native Americans to major land claims and water rights cases which affect thousands of Indian people. NARF also drafted legislation and monitored developments in Indian law.

Over the years, NARF has gained, through its hundreds of cases and many pieces of legislation, the mark of a proven advocate in Indian law issues which will affect this and future generations of Native Americans.

The Founding of NARF

Many federally funded legal services programs were established around the country in the 1960's. These programs were aimed at providing legal representation for poor and disadvantaged people. It was through these legal services programs that the special needs of Indian people became apparent. The hundreds of treaties, thousands of federal statutes and numerous regulations and administrative rulings have created a unique body of law called Indian law which governs the lives of Indian people.

Indian legal services programs could not assist Indians everywhere, so the need for a national program to provide these services also became apparent. The Native American Rights Fund emerged in California in 1970 to fill this need. NARF was relocated to Boulder, Colorado, a more central location to Indian country, in 1971. Since the beginning, the national scope of legal work undertaken by NARF as a nonprofit organization has been supported by foundation and government grants, corporate, individual, and tribal contributions and limited client fees.

The accomplishments and growth of NARF over the years confirmed the great need for Indian legal representation on a national basis. This legal advocacy on behalf of Native Americans is as crucial now as ever. NARF strives to protect the most important rights of Indian people within the limit of available resources. To achieve this goal, NARF's Board of Directors has defined five priority areas for NARF's work. These five priority areas are: (1) the preservation of tribal existence; (2) the protection of tribal natural resources; (3) the promotion of human rights; (4) the accountability of governments to Native Americans; and (5) the development of Indian law. Following are brief highlights of NARF's work during the 1986 fiscal year in each of these five priority areas.
The Preservation of Tribal Existence

The most critical issue facing Indian tribes today is the preservation of their existence as governmental entities with all the power and authority that governmental status entails. Thus, the focus of NARF's work involves issues relating to the preservation and enforcement of the status of tribes as sovereign, self-governing bodies. For some tribes, the issues are very basic — persuading the federal government to recognize their status as tribes or, in some cases, convincing Congress to reverse the termination of their tribal status and restore them as tribes. In both cases, such “recognized” status allows the particular tribe to exercise vital governing powers and entitles them to basic health, education, and other governmental services.

Tribal Sovereignty

Tribes possess the power to regulate the internal affairs of their members and the activities within their reservations since they are sovereign governments. Conflicts often arise with states, the federal government, and others over these powers. During the year, NARF handled several major cases that affected the sovereign powers of tribes. These cases involved issues that concerned taxation, jurisdiction, and tribal government.

Federal Indian law exempts tribal property and assets from state and federal taxation. Several states have taxed or tried to implement taxes on Indian trust property and assets. In 1986, NARF worked on several tax cases that have reaffirmed and strengthened the tax immunity of tribal governments and tribal members.

Through NARF's efforts the Pamunkey Tribe of Virginia, a non-federally recognized tribe, was recognized as a tribe for purposes of the Tribal Government Tax Status Act of 1982. The Act allows for tribal governments to be accorded the same status as state governments under the Internal Revenue Code. The Tribe was not in the Internal Revenue Service's initial list of tribes exercising governmental functions. The Pamunkeys requested a ruling on their status as a tribal government, and the IRS determined that they qualified as an “Indian tribal government” because, based on the information submitted, the Tribe exercises governmental functions.

NARF is currently investigating Indian tax issues in North Dakota and Michigan. In North Dakota, the State is taxing income earned by individuals on a portion of the Turtle Mountain Chippewa Reservation. NARF is representing two tribal members who are challenging the State's authority to tax the income. In Michigan, NARF is challenging the federal government's authority to tax the fishing income of Bay Mills Chippewa fishermen who are exercising their Indian treaty fishing rights. The case, *Teeple v. Commissioner of Internal Revenue Service*, is scheduled for trial in March, 1987.

NARF is also assisting tribes to develop tax ordinances designed to help them bring in additional revenue. NARF is helping the Cheyenne-Arapaho Tribes of Oklahoma develop a severance tax on oil and gas production on tribal land. The proceeds from the tax will be used by the Tribes for government and economic development projects. NARF also drafted tax ordinances for Copper Center Village, located in Alaska, to generate revenue in order to provide its village essential community services. In addition, NARF is assisting the Native Village of Venetic in implementing its business activity tax. NARF also helped the Ponca Tribe of Oklahoma develop a corporate charter for business development on its reservation.

In 1985, the U.S. Supreme Court ruled that the State of Montana did not have the authority to tax the Blackfeet Tribe's oil and gas royalties from leases made under the Indian Mineral Leasing Act of 1938. Last year, NARF assisted the Tribe in its effort to recover those mineral taxes illegally paid to the State.

Other cases in the area of sovereignty that NARF has handled pertain to the issue of jurisdiction. Most tribes, as governments, have the power to regulate activities on their reservations. Control over bingo and gaming on reservations has caused several major conflicts among federal, state and tribal governments over the issue of jurisdiction on Indian lands. Several states have tried to regulate bingo games on Indian reservations. Tribes assert that states do not have jurisdiction over tribal gaming on reservation land and that tribal gaming is a legitimate method of raising revenues for tribal government.

In *Indian Country USA, Inc. and Muscogee (Creek) Nation v. The State of Oklahoma*, a federal
district court ruled that the State of Oklahoma has no jurisdiction to regulate or tax the bingo operation of the Creek Nation. The court ruled that the state cannot tax or interfere with the operations of tribal bingo, nor can it criminally or civilly prosecute those operating or participating in tribal bingo. NARF filed an *amicus curiae* (friend of the court) brief on behalf of the Cheyenne-Arapaho Tribes.

Despite the positive ruling in a tribally operated bingo operation, another court has ruled differently in a case that involves an individually owned bingo establishment. In *United States v. Dakota*, a suit involving individual members of the Keweenaw Bay Indian Tribe, a federal appeals court found that their tribally licensed bingo operation violated the Organized Crime Control Act of 1970. The Act makes it a federal crime to run a gambling operation which is in violation of state law. In Michigan, state law prohibits commercial gambling with the exception of non-profit organizations who are allowed to carry on limited gambling activities for fundraising purposes. NARF filed an *amicus curiae* brief on behalf of the Bay Mills Chippewa Indian Community which operates its own games.

NARF has also been monitoring proposed legislation on Indian gaming bills under consideration by Congress. Congressman Udall, at the request of tribes, introduced legislation that would have permitted bingo and highstakes gaming. The bill did not pass in the 99th Congress, so the issue of gambling is still subject to review in the U.S. Supreme Court. In *California v. Cabazon Band of Mission Indians*, the Court will now decide whether tribes are governed by state and local gambling ordinances and statutes. NARF has filed an *amicus curiae* brief on behalf of twenty Indian tribes.

In another issue involving jurisdiction, NARF was successful in assisting the Winnebago Tribe to obtain criminal jurisdiction over its reservation. The State of Nebraska has been exercising jurisdiction over the Winnebago Reservation since 1954, pursuant to Public Law 83-280, when Congress ceded civil and criminal jurisdiction over some reservations to certain states. However, in 1968, Congress enacted legislation that permits states, with tribal consent, to retrocede this jurisdiction back to the United States and tribes. The retrocession by Nebraska in 1986 ended an eleven-year struggle on the part of the Winnebago Tribe to exercise its inherent power of self-government.

A tribe's right to sue in state court was reaffirmed in the U.S. Supreme Court case, *Three Affiliated Tribes of the Fort Berthold Reservation v. Wold Engineering* (Wold II). The case involved an Indian tribe suing a non-Indian contractor in state court for breach of a contract in connection with work done on the reservation. The court reversed a state ruling that held the Tribe was barred from maintaining its suit in state court unless the Tribe waived its sovereign immunity and agreed to the application of state civil law. The Supreme Court held that the disclaimer of jurisdiction by North Dakota was inconsistent with federal law governing the application of state law to Indians. NARF filed an *amicus curiae* brief on behalf of several tribes.
In *Iowa Mutual Insurance Company v. LaPlante*, NARF filed an *amicus curiae* brief with the U.S. Supreme Court on behalf of several tribes. The Court will examine whether a federal district court has diversity of citizenship jurisdiction over a lawsuit brought by a citizen of one state against a reservation Indian located in another state. NARF contends that jurisdiction over the suit properly rests with the tribal court.

A federal district court in California ruled in *Coyote Valley Band of Indians v. United States*, that the Secretary of the Interior has a mandatory nondiscretionary duty to call elections upon a request from an eligible tribe. In the case, three tribes filed suit because officials of the Bureau of Indian Affairs refused to call tribal elections for the approval of the tribes' proposed constitutions under the Indian Reorganization Act. NARF represents the Alaska Native Coalition, an organization of Alaska Native Villages, in its effort to obtain legislation to protect Native corporations, the land and to ensure that no erosion of tribal rights of self-government occurs in the process.

NARF has also been working with the Council of Energy Resource Tribes to amend the Surface Mining Control and Reclamation Act of 1977. Under the Act, federal standards were applied to Indian land without tribal consent and reclamation fees provided under the Act were accumulated by the federal government. The proposed changes would ensure tribal control of surface mining on Indian lands and protect the sovereign power of tribes to regulate their own affairs.

**Recognition and Restoration**

Gaining federal recognition of tribal status or Congressional restoration of tribal status previously terminated is a lengthy administrative or legislative process. Years of legal assistance are often needed by tribes involved in these processes.

NARF successfully represented the Alabama-Coushatta Tribe in its suit against the State of Texas where it withdrew state recognition of the Tribe and monetary assistance to the Tribe's government. In *Alabama - Coushatta Tribe v. Mattox*, a federal district court held that the State of Texas still maintains its trust responsibility to the Tribe, that its lands still constitute an Indian reservation and that the State's role as trustee is not barred by the Texas Equal Rights Amendment. The case has been appealed by the State of Texas. NARF continues to represent the Alabama-Coushattas and the Tigua Tribe of Texas in their efforts to seek federal legislation that restores their tribal status.

NARF continues to assist the Mashpee-Wampanoag Tribe of Massachusetts, the Houma Tribe of Louisiana, the Gay Head Wampanoag Tribe of Massachusetts, the Little Shell Band of Chippewas in Montana, and the Village of Nuigsuit in Alaska in obtaining federal recognition of their tribal status from the Bureau of Indian Affairs.

Mary Hanewall, Development Officer
tural and other beneficial purposes. The agreement is awaiting implementation through Congressional legislation.

Last fall, NARF assisted the Walker River Paiute Tribe in successfully resisting passage of the California-Nevada Water Compact, which would have limited the Tribe's claim to additional water from the Walker River in Nevada. In *Fort McDowell Indian Community v. Salt River Project*, NARF has assisted the Fort McDowell Mohave-Apaches' claim to additional water from the Verde River in Arizona and has assisted the Tribe in extensive negotiations with the State, the federal government and non-Indian water users. NARF is also assisting the Northern Cheyenne Tribe in its negotiations with the Montana Reserved Water Rights Compact Commission to settle its water claims.

NARF is helping the Pyramid Lake Paiute Tribe in three cases against the Cities of Reno and Sparks and EPA involving the discharge to the Truckee River from the Cities' sewage treatment plant. The Truckee River flows into Pyramid Lake on the reservation and provides critical spawning habitat for the Tribe's fishery.

During 1986, NARF continued trial preparations in a water rights case for the Muckleshoot Tribe that would restore its White River fishery in the State of Washington. In *Muckleshoot Tribe v. Puget Sound Power and Light Company*, the Tribe maintains that the power company's upstream dam is illegally diverting most of the water in the White River around the reservation, which has destroyed the Tribe's fishery on the reservation. The Tribe asserts that it has reserved water rights sufficient to maintain a fishery. NARF is also assisting the Tribe with its intervention in the power company's licensing proceeding before the Federal Energy Regulatory Commission. The intervention is necessary to protect the Tribe's water and fishing interest.

**Hunting and Fishing**

For both subsistence and commercial purposes, the right to hunt and fish in traditional areas both on and off reservations remains a vital issue in Indian country. NARF has long been instrumental in assisting tribes to establish their hunting and fishing rights that are guaranteed by treaty or other federal law.

In 1986, subsistence rights for Alaska Natives were a major hunting and fishing issue. NARF has been instrumental in helping Alaska Native villages develop tribal ordinances to regulate their fish and game resources. NARF is also working with the Village of Gambell to codify a management system to regulate the taking of marine mammals that they depend on for subsistence needs and also to cooperate with federal authorities to ensure protection of these marine resources.

In *Katy John v. State of Alaska*, NARF filed suit to protect the right of Alaska Natives to fish at traditional and customary fishing sites. The Natives allege that Alaska's attempt to restrict traditional fishing activities is in violation of the Subsistence Title of the Alaska National Interest Lands Conservation Act.

In the lower 48 states, NARF is assisting the Bay Mills Chippewa Indian Community in implementing its settlement agreement of approximately $5 million that includes a tribal trust fund and the development of tribal conservation programs. The settlement was reached in the case, *U.S. v. Michigan*, where the courts affirmed the Tribe's treaty right to fish free of state regulation and to have exclusive access to fish in certain parts of the Great Lakes.

NARF filed an *amicus curiae* brief in *United States v. Dion*, in which the Supreme Court held that the Bald Eagle Protection Act abrogated or abolished an 1858 treaty right to hunt bald and golden eagles on the Yankton Sioux Reservation in South Dakota. The Court noted that under the Act, Indians are allowed to use eagles for religious purposes if a permit is first obtained from the Secretary of the Interior. The Court declined to consider the issue of whether the Eagle Protection Act invades Indian religious freedom rights.

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The Promotion of Human Rights

In addressing human rights, NARF seeks to enforce laws which are designed to address the unique needs and problems of Native Americans in this area. In 1968, NARF provided assistance in problems involving religious freedom, voting rights, education and the Indian Child Welfare Act.

Religious Freedom

The protection of traditional Native American religions is synonymous with the preservation of traditional cultures of those peoples. Indian religions are entitled to the same First Amendment protection as other religions. This includes access to and protection of sacred objects and sites and the freedom to practice traditional religious ceremonies.

Protecting Indian burial sites from excavation and desecration has been the objective of NARF's advocacy for a new federal Indian burial policy. The policy would provide for the reinterment of over 300,000 Indian bodies stored in federal and state institutions, and would also establish a new federal policy properly recognizing the cultural and religious rites of Native Americans relating to burial sites on public lands. On a state level, NARF represents the Pawnee Tribe of Oklahoma in its effort to reinter 150 skeletons on display by a private landowner in Kansas, the Tribe's aboriginal area. NARF is currently drafting an Indian burial bill to present to the State of Kansas in order to stop the desecration of Indian burial sites.

In Charrrier v. Bell, NARF was successful on behalf of the Tunica-Biloxi Tribe in returning artifacts illegally dug from ancestral burial grounds back to the Tribe. A Louisiana state court ruled that the Tunica-Biloxi Tribe is the lawful owner of numerous artifacts discovered by an amateur archaeologist. The court found that the Tunica-Biloxi Indians are descendants of the inhabitants who buried the artifacts, and that the artifacts were not abandoned by the Tunicas.

In an individual religious freedom case, Bowen v. Roy, the U.S. Supreme Court ruled against an Indian father who did not want to provide his daughter with a social security number to receive government benefits. The father argued that the social security requirement was in conflict with his particular religious beliefs. The Court found the requirement did not violate the individual's constitutional rights. NARF filed an amicus curiae brief in the Supreme Court on behalf of several tribes and national Indian organizations.

NARF is representing Native Hawaiians in their effort to prevent development of geothermal resources on the island of Hawaii. In Dedman v. Hawaii Board of Land and National Resources, the Natives allege that the island is a sacred religious site and that the proposed development would infringe on their religious beliefs and practices. NARF serves as co-counsel with the Native Hawaiian Legal Corporation and private attorneys.

Voting Rights

In 1982, Congress amended Section 2 of the 1965 Voting Rights Act to prohibit discriminatory electoral practices and procedures. However, various election methods are still in place.
that prevent Indian people from fully participating in various city, county and state elections. Currently, NARF is working to end discriminatory voting practices in school board elections.

In South Dakota, NARF is challenging the issue of at-large district voting procedures which prevent minority representation on a school board in *Buckanaga v. Sisseton School District*. NARF asserts that an election system of single-member districts would provide the Indian voters an equal opportunity to elect candidates of their choice and would comply with the Voting Rights Act. Although the school district has a large Indian population, very few Indians have ever been elected to the school board. Following dismissal of the case by a federal district court, NARF appealed the decision.

NARF was successful in another voting rights case in South Dakota. Following a legal action by NARF and Dakota Plains Legal Services on behalf of several Indian voters, the Dupree School District of South Dakota agreed to extend the number of school board election polling places from one to five sites. The additional sites end drives of up to 60-100 miles for some Indians to vote in the elections. The settlement agreement in the case, *Black Bull v. Dupree School District*, also required notice of the upcoming election and increased polling sites to be carried in state and local media.

**Indian Child Welfare**

The Indian Child Welfare Act (ICWA) is a federal law enacted in 1978 which is intended to promote the stability of Indian tribes and families by establishing minimum federal standards for the removal of Indian children from their families and the placement of Indian children in adoption or foster homes.

The U.S. Supreme Court declined to review the lower court decision in *Tudor v. Glaesman*. The case involved an adoption in which the Indian father did not consent and the ICWA was not applied. NARF argued that the ICWA requires the consent of an unmarried father where state law does not require such consent.

The U.S. Supreme Court was also asked to review the decision in *Kiowa Tribe of Oklahoma v. Lewis*. The Tribe sought a review of the state court’s refusal to apply the ICWA in an adoption case and its denial of intervention in the adoption by the Tribe. NARF filed an *amicus curiae* brief on behalf of several tribes.

NARF also filed an *amicus curiae* brief in the Sitka Community Association Tribal Court in the case of *Hepler v. Perkins*. The issue is whether an Alaska state court has jurisdiction to resolve a child custody dispute and NARF’s brief addressed the issue of the effect of Public Law 280, tribal jurisdiction and the interpretation of the ICWA.

**Education**

Education is especially important for Native Americans since it is essential for developing the skills necessary for tribal self-sufficiency. NARF has worked successfully with tribes, parent groups, and national Indian organizations to assure that Native Americans have an active and participative voice in deciding the educational future for their children.

NARF won an administrative appeal in the Bureau of Indian Affairs (BIA) on behalf of the Chippewa-Cree Tribe of Montana and their Stone Child College declaring the College eligible for funding under the Tribally Controlled College Act. NARF assisted in proving that the College was relatively isolated and that no alternative institutions within commuter distance existed. The funding lends financial security to the college and enhances its ability to achieve accreditation.

NARF also assisted the Belcourt School Board, located in Belcourt, North Dakota, in retaining their Impact Aid Program for fiscal year 1986. The Belcourt School District contains only one school, the Turtle Mountain Community school, run cooperatively by the State and the BIA. Under a new Impact Aid regulation, the School District was no longer eligible for funding from the program. The new regulation prohibits schools from receiving both Impact Aid and BIA monies. Indian education advocates, including NARF, were successful in preventing the new requirement from becoming effective in fiscal year 1986, thus protecting BIA schools’ impact aid funding. Despite the opposition from NARF and other Indian education groups the regulation became effective in fiscal year 1987.
NARF works to hold all levels of government accountable for the proper enforcement of the many laws and regulations which govern the lives of Indian people. NARF continues to be involved in several cases which focus primarily on the accountability of the federal and state governments to Indians.

In Alaska, NARF has pending a suit on behalf of the Native Village of Akiachak and others to secure state revenue sharing funds for their tribal government. In *Native Village of Akiachak v. Notti*, NARF is challenging Alaska's position that the state cannot constitutionally allocate revenue sharing monies to tribal governments. NARF is asserting that the villages are governments with the same status as lower 48 Indian tribes and therefore they may be singled out for discrete beneficial treatment without running afoul of equal protection which the law guarantees. In a related case, *Kasayulie v. Local Boundary Commission*, NARF represents the Akiachak Native Community in its effort to dissolve its state-chartered municipality in order that its federally recognized tribal government will remain the paramount governing body in the community.

The U.S. Supreme Court declined to review the case, *St. Regis Mohawk Tribe, New York v. Brock*, in which the St. Regis Mohawk Tribe sought to overturn an earlier decision that directed it to pay a Comprehensive Employment Training Act (CETA) debt out of non-CETA funds. The Tribe argued that the Secretary of Labor failed to comply with a 120-day limitation period to recover a repayment of disallowed costs. The Court's denial, however, upheld the Secretary's authority to collect the debt. Despite the ruling, NARF has been instrumental in reducing the Tribe's disallowed cost by half. NARF is also helping the Rosebud Sioux Tribe lower its CETA debt.

In *Kauley v. Hodel*, NARF and Oklahoma Indian Legal Services represent individual allottees in their effort to enforce the Federal Oil and Gas Royalty Management Act (FOGMA) of 1983. FOGMA expressly vests in the Secretary of Interior the responsibility of administering federal and Indian oil and gas resources leased to private developers. The allottees allege that the federal government has been negligent in administering the Act.

NARF successfully negotiated a settlement agreement on behalf of the National Congress of American Indians that requires states to fund tribal energy-related restitutonary programs. In *Re: The Department of Energy Stripper Well Exemption Litigation* involved the refund of overcharge monies that were collected illegally by petroleum companies during the years 1973 to 1981. These refunds are due because of violations of petroleum price regulations that were in effect during that period.
The Development of Indian Law

The systematic development of Indian law is essential for the continued protection of Indian rights. This process involves distributing Indian law materials to, and communicating with, those groups and individuals working on behalf of Indian people. NARF has two ongoing projects which are aimed at achieving this goal.

Indian Law Support Center

The first of these projects is the Indian Law Support Center (ILSC), which is one of 16 national support centers funded by the Legal Services Corporation. NARF has operated the ILSC since 1972, providing backup legal assistance to local legal services programs which serve Indians on reservations and in urban areas nationwide.

During the fiscal year 1986, the ILSC provided assistance to local programs in all areas of Indian law. In responding to hundreds of requests, the Center’s services have included letter and telephone advice, furnishing legal materials, co-counseling in cases, conducting legal research, reviewing drafts of court pleadings and briefs, analyzing legislation, and providing other services as requested by legal services field programs. The Center also conducted a national Indian law training conference on the Indian Child Welfare Act and Indian child abuse issues in 1986. The publication of a monthly newsletter distributed to Indian law practitioners is another service performed by the Center.


National Indian Law Library

Beginning its 14th year of existence is the National Indian Law Library (NILL), another major effort by NARF in the development of Indian law. NILL continues to serve as a clearinghouse and invaluable resource for Indian legal materials. During the fiscal year, NILL staff processed over 4,000 requests for information from throughout the country and several foreign countries. As a national resource center for Indian legal materials, access to NILL’s holdings is essential for anyone working in the field of Indian law. Thus, the main users of NILL have been NARF attorneys, private attorneys, legal services attorneys, tribal offices, tribal advocates, tribal court judges, law students and law libraries.

The National Indian Law Library Catalogue, An Index to Indian Legal Materials and Resources, reflects NILL’s current holdings which include cases, briefs, pleadings, orders, legal opinions, rulings, memoranda, treatises, studies, book articles, reports and legislative histories pertinent to Indian law. The NILL Catalogue is arranged by subject, author, title, a table of cases and by NILL number, and with its supplements lends ready access to NILL’s extensive holdings. The NILL Catalogue, published every five years and updated annually by noncumulative supplements, is available for purchase from the National Indian Law Library.

Other Activities

In addition to its major projects, NARF staff is actively involved in national Indian conferences and legal education projects. During the past fiscal year, NARF attorneys and staff served in a formal or informal leadership capacity at numerous tribal, state, academic, and national Indian conferences such as the National Congress of American Indians, Association of American Indian Affairs, National Indian Education Association, Women and Law Conference, the Inter-American Indian Congress, the National Indian School Board Association, and the ACLU.

NARF remains firmly committed to continuing its effort to share the legal expertise which NARF possesses with those groups and individuals working in support of Indian rights, and to foster the recognition of Indian rights in mainstream society.
The Native American Rights Fund maintained a stable financial position in the fiscal year ended September 30, 1986. Support and revenues were sufficient to continue a national program of Indian legal representation in NARF's Boulder, Colorado; Washington, D.C.; and Anchorage, Alaska offices, and to continue the services of the Indian Law Support Center and the National Indian Law Library.

In fiscal 1986, NARF's support and revenue increased by 3.4% over fiscal 1985, to a total of $3,444,858; expenditures increased by 7.1% to $3,455,662. The deficiency of support and revenue effected a $10,806 reduction in NARF's total fund balances, which were $930,791 at 9/30/86.

Revenue types as a percentage of total revenue for fiscal years 1986 and 1985 are compared below:

<table>
<thead>
<tr>
<th>REVENUE SOURCES</th>
<th>FY 86</th>
<th>FY 85</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>46%</td>
<td>42%</td>
</tr>
<tr>
<td>Foundations and Trusts</td>
<td>25</td>
<td>31</td>
</tr>
<tr>
<td>Individuals and Corporations</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

All revenue sources increased in terms of dollars, except for the revenues from Foundations and Trusts. This figure decreased because of a temporary hiatus in funding from certain foundations to NARF, and because of some reductions in grant funding levels.

NARF maintained a staff of sixteen attorneys in fiscal year 1986 and supported the activities of the National Indian Law Library. Expenses for the year, as a percentage of total expenses, were allocated according to the functions shown below; they are compared to the previous year's expenses by function for your information:

<table>
<thead>
<tr>
<th>FUNCTIONAL EXPENDITURES</th>
<th>FY 86</th>
<th>FY 85</th>
</tr>
</thead>
<tbody>
<tr>
<td>Litigation and Client Services</td>
<td>71.4%</td>
<td>70%</td>
</tr>
<tr>
<td>National Indian Law Library</td>
<td>5.1%</td>
<td>7%</td>
</tr>
<tr>
<td>Program services</td>
<td>76.5%</td>
<td>77%</td>
</tr>
<tr>
<td>Management and General</td>
<td>11.8%</td>
<td>13%</td>
</tr>
<tr>
<td>Fund Raising</td>
<td>11.7%</td>
<td>10%</td>
</tr>
<tr>
<td>Support services</td>
<td>23.5%</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Expenditures for program services and for support services changed by only half of a percentage point this year. The increase in expenditures for support services is related to higher investment in NARF's direct mail solicitation program this year than in the past.

The audited financial statements of the Native American Rights Fund for fiscal 1986 are presented on the following pages.
December 19, 1986

To the Board of Directors of
Native American Rights Fund, Inc.

In our opinion, the accompanying balance sheet and the related statements of support, revenue, expenses and changes in fund balances, of changes in cash and of functional expenses present fairly the financial position of Native American Rights Fund, Inc. at September 30, 1986 and the results of its operations and changes in fund balances and the changes in its cash for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse

Price Waterhouse

NATIVE AMERICAN RIGHTS FUND, INC.

Balance Sheet
SEPTEMBER 30, 1986

<table>
<thead>
<tr>
<th>Current funds</th>
<th>General fixed asset fund</th>
<th>Total all funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>Restricted</td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash, including certificates of deposit of $965,652 - partially pledged (Note 4)</td>
<td>$1,054,396</td>
<td>$1,054,396</td>
</tr>
<tr>
<td>Marketable securities, at market (Note 2)</td>
<td>209,849</td>
<td>209,849</td>
</tr>
<tr>
<td>Grants receivable (Note 3)</td>
<td></td>
<td>$354,417</td>
</tr>
<tr>
<td>Other receivables</td>
<td>209,675</td>
<td>209,675</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>38,390</td>
<td>38,390</td>
</tr>
<tr>
<td>Interfund receivable (payable)</td>
<td>(583,334)</td>
<td>(583,334)</td>
</tr>
<tr>
<td>Property and equipment, at cost (Note 4):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and buildings</td>
<td>$313,938</td>
<td>$313,938</td>
</tr>
<tr>
<td>Improvements to land and buildings</td>
<td>119,323</td>
<td>119,323</td>
</tr>
<tr>
<td>Office equipment and furnishings</td>
<td>385,704</td>
<td>385,704</td>
</tr>
<tr>
<td>Professional library</td>
<td>90,520</td>
<td>90,520</td>
</tr>
<tr>
<td>Less—Accumulated depreciation</td>
<td>909,485</td>
<td>909,485</td>
</tr>
<tr>
<td></td>
<td>(408,557)</td>
<td>(408,557)</td>
</tr>
<tr>
<td></td>
<td>500,928</td>
<td>500,928</td>
</tr>
<tr>
<td>$928,976</td>
<td>$937,751</td>
<td>$500,928</td>
</tr>
</tbody>
</table>

Liabilities and fund balances

Accounts payable | $210,737 | $210,737 |
Accrued sabbatical leave | 66,082 | 66,082 |
Other accrued expenses | 102,365 | 102,365 |
Deferred revenue (Note 3) | | $937,751 | 937,751 |
Mortgage and note payable (Note 4) | | $119,929 | 119,929 |
| | 379,184 | 937,751 | 1,436,984 |
| | 549,792 | 937,751 | 930,791 |
Fund balances | | 380,999 | 380,999 |
Commitment (Note 5) | | | |
| $928,976 | $937,751 | $500,928 | $2,367,655 |

The accompanying notes are an integral part of the financial statements.
NATIVE AMERICAN RIGHTS FUND, INC.

Statement of Support, Revenue, Expenses and Changes in Fund Balances
FOR THE YEAR ENDED SEPTEMBER 30, 1986

<table>
<thead>
<tr>
<th>Current funds</th>
<th>General fixed asset fund</th>
<th>Total all funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>Restricted</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Support and revenue:

<table>
<thead>
<tr>
<th>Description</th>
<th>Current funds</th>
<th>General fixed asset fund</th>
<th>Total all funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental grants</td>
<td>$134,730</td>
<td>707,244</td>
<td>$841,974</td>
</tr>
<tr>
<td>Foundation and trust grants</td>
<td>$564,630</td>
<td></td>
<td>$564,630</td>
</tr>
<tr>
<td>Contributions</td>
<td>79,741</td>
<td></td>
<td>79,741</td>
</tr>
<tr>
<td>Legal fees</td>
<td>378,959</td>
<td></td>
<td>378,959</td>
</tr>
<tr>
<td>Total support and revenue</td>
<td>$1,158,060</td>
<td>2,286,798</td>
<td>3,444,858</td>
</tr>
</tbody>
</table>

Expenses:

<table>
<thead>
<tr>
<th>Program services</th>
<th>Current funds</th>
<th>General fixed asset fund</th>
<th>Total all funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Litigation and client services</td>
<td>$805,020</td>
<td>1,607,576</td>
<td>$2,466,596</td>
</tr>
<tr>
<td>National Indian Law Library</td>
<td>57,187</td>
<td>114,248</td>
<td>171,435</td>
</tr>
<tr>
<td>Total program services</td>
<td>$862,207</td>
<td>1,721,824</td>
<td>2,584,051</td>
</tr>
</tbody>
</table>

Support services:

<table>
<thead>
<tr>
<th>Description</th>
<th>Current funds</th>
<th>General fixed asset fund</th>
<th>Total all funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management and general</td>
<td>$133,662</td>
<td>267,032</td>
<td>400,694</td>
</tr>
<tr>
<td>Fund raising</td>
<td>$132,083</td>
<td>263,622</td>
<td>395,705</td>
</tr>
<tr>
<td>Total support services</td>
<td>$265,745</td>
<td>530,654</td>
<td>796,400</td>
</tr>
</tbody>
</table>

Total expenses:

<table>
<thead>
<tr>
<th>Description</th>
<th>Current funds</th>
<th>General fixed asset fund</th>
<th>Total all funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,127,952</td>
<td>2,252,478</td>
<td>3,355,630</td>
<td></td>
</tr>
</tbody>
</table>

Excess (deficiency) of support and revenue over expenses:

<table>
<thead>
<tr>
<th>Description</th>
<th>Current funds</th>
<th>General fixed asset fund</th>
<th>Total all funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$30,108</td>
<td>$34,320</td>
<td>(75,232)</td>
<td>(10,806)</td>
</tr>
</tbody>
</table>

Fund balances, beginning of year:

<table>
<thead>
<tr>
<th>Description</th>
<th>Current funds</th>
<th>General fixed asset fund</th>
<th>Total all funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$525,221</td>
<td>$29,821</td>
<td>$590,553</td>
<td>941,595</td>
</tr>
</tbody>
</table>

Other changes in fund balances:

<table>
<thead>
<tr>
<th>Description</th>
<th>Current funds</th>
<th>General fixed asset fund</th>
<th>Total all funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of property and equipment</td>
<td>(20,376)</td>
<td>(42,025)</td>
<td>(62,396)</td>
</tr>
<tr>
<td>Proceeds from mortgage and note payable issued</td>
<td>74,671</td>
<td>(74,671)</td>
<td></td>
</tr>
<tr>
<td>Repayment of mortgage and note payable</td>
<td>(59,832)</td>
<td>(18,116)</td>
<td>(77,948)</td>
</tr>
<tr>
<td></td>
<td>(5,557)</td>
<td>(60,141)</td>
<td>(65,698)</td>
</tr>
</tbody>
</table>

Fund balances, end of year:

<table>
<thead>
<tr>
<th>Description</th>
<th>Current funds</th>
<th>General fixed asset fund</th>
<th>Total all funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$549,792</td>
<td>$--</td>
<td>$380,999</td>
<td>$930,791</td>
</tr>
</tbody>
</table>

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

NATIVE AMERICAN RIGHTS FUND, INC.

Notes to Financial Statements
SEPTEMBER 30, 1986

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization:

Native American Rights Fund, Inc. (NARF) was incorporated in 1971 under the nonprofit corporation law of the District of Columbia and has a primary objective of providing legal representation, assistance and education to Native American people. NARF derives financial support from private foundations, the United States Government, public contributions and a limited fee policy.

NARF is a tax-exempt organization as described in section 501(c)(3) of the Internal Revenue Code and, as such, is subject to federal income taxes only on unrelated business income.

Revenue recognition:

A substantial portion of NARF's revenue is derived from restricted grants and contracts. Revenue from such restricted sources is deemed to be earned when NARF has incurred costs which satisfy restrictions imposed by the respective grants or contracts. Funds received from restricted sources in excess of costs incurred are reported as deferred revenues. For costs incurred in excess of funds received from restricted sources, revenue and related receivables are recognized to the extent of such costs unless, in management's opinion, future grant or contract funds will be insufficient. In such cases, costs are charged to unrestricted funds.

Contributions and donations from unrestricted sources are generally recognized when received; however, enforceable pledges are recorded as revenues and receivables in the year made. Donations of marketable securities or other in-kind contributions are recorded as revenue at their estimated fair market value at the date of contribution.

Interfund receivable (payable):

Generally, funds received by NARF are deposited in a general bank account, and segregation of cash and certain other assets and liabilities between restricted and unrestricted funds is not maintained in the accounting records. Segregation of revenue and expenditures applicable to restricted, unrestricted (including segregation within the restricted fund by grant source) and the general fixed asset funds is maintained in the accounting (continued)
### Statement of Changes in Cash

**FOR THE YEAR ENDED SEPTEMBER 30, 1986**

<table>
<thead>
<tr>
<th>Description</th>
<th>Current funds</th>
<th>General fixed asset fund</th>
<th>Total all funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Restricted</td>
<td></td>
</tr>
<tr>
<td>Cash was provided by (used for):</td>
<td>$30,108</td>
<td>$34,320</td>
<td>$(75,232)</td>
</tr>
<tr>
<td>Excess (deficiency) of support and revenue over expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add (deduct) items not affecting cash:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred revenue and grants receivable recognized as support and revenue</td>
<td></td>
<td></td>
<td>$(786,926)</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
<td>62,340</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment</td>
<td></td>
<td></td>
<td>12,892</td>
</tr>
<tr>
<td>Deferred revenue received and grants receivable collected</td>
<td></td>
<td></td>
<td>1,215,057</td>
</tr>
<tr>
<td>Increase in other receivables</td>
<td>(149,111)</td>
<td></td>
<td>(149,111)</td>
</tr>
<tr>
<td>Increase in prepaids</td>
<td>(12,517)</td>
<td></td>
<td>(12,517)</td>
</tr>
<tr>
<td>Increase (decrease) in interfund receivable/payable</td>
<td>402,310</td>
<td>(402,310)</td>
<td></td>
</tr>
<tr>
<td>Increase in accounts payable</td>
<td>11,948</td>
<td></td>
<td>11,948</td>
</tr>
<tr>
<td>Increase in other accrued expenses</td>
<td>17,968</td>
<td></td>
<td>17,968</td>
</tr>
<tr>
<td>Cash provided by (used for) operations</td>
<td>300,706</td>
<td>60,141</td>
<td>360,847</td>
</tr>
<tr>
<td>Decrease in marketable securities</td>
<td>178,102</td>
<td></td>
<td>178,102</td>
</tr>
<tr>
<td>Proceeds from issuance of mortgage and note payable</td>
<td>478,808</td>
<td>60,141</td>
<td>74,671</td>
</tr>
<tr>
<td>Cash was used for</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net fund balance transfers</td>
<td>5,537</td>
<td>60,141</td>
<td>65,678</td>
</tr>
<tr>
<td>Acquisition of property and equipment</td>
<td></td>
<td></td>
<td>62,401</td>
</tr>
<tr>
<td>Repayment of mortgage and note payable</td>
<td></td>
<td></td>
<td>77,948</td>
</tr>
<tr>
<td>Increase in cash</td>
<td>5,537</td>
<td>60,141</td>
<td>74,671</td>
</tr>
<tr>
<td></td>
<td>$475,271</td>
<td>$-</td>
<td>$-</td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of the financial statements.*

### Records

The interfund receivable (payable) results from the excess of net assets specifically identifiable with the restricted fund over deferred revenue at September 30, 1986.

### Allocation of expenses

Expenses are allocated to grants based on time devoted to projects by attorneys, except where expenses are specifically identifiable with a particular grant or project.

### Professional staff

Personnel classified as professional staff include attorneys, legislative assistant, librarians, interns and office management personnel.

### Fund raising

Fund raising expenses are comprised of costs associated with contribution revenue and costs associated with obtaining grants from private foundations and governmental agencies.

### General fixed asset fund

The general fixed asset fund accounts for NARF's recorded fixed assets and all debt obligations. Uses of current operating funds for acquisition of property and equipment and principal debt service are accounted for as transfers to the general fixed asset fund. Proceeds from issuance of debt obligations are accounted for as transfers to the current unrestricted fund.

### Depreciation

Depreciation is computed over the estimated useful lives of the assets using the straight-line method for buildings, the professional library, and computer hardware and software, and the declining balance method for other property and equipment.

### NOTE 2 — MARKETABLE SECURITIES

Marketable securities consist of marketable corporate securities and mutual fund investments. These investments are stated at cost which approximates market. Investment income for 1986 was $24,598. Declines in market value from cost are recognized when the aggregate market value is less than the carrying amount. Recoveries of aggregate market amounts are recorded in the period realized subject to the limitation that the carrying amount does not exceed the original cost. In 1986, NARF recorded a recovery of $24,800 in the market value of its marketable corporate securities.

### NOTE 3 — GRANTS RECEIVABLE AND DEFERRED REVENUE

Grants receivable and deferred revenue consisted of the following individual restricted grants or contracts at September 30, 1986:
# Statement of Functional Expenses

## For the Year Ended September 30, 1986

<table>
<thead>
<tr>
<th>Program services</th>
<th>Litigation and client services</th>
<th>National Indian Law Library</th>
<th>Total</th>
<th>Support services</th>
<th>Management and general</th>
<th>Fund raising</th>
<th>Total expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional staff</td>
<td>$788,658</td>
<td>$57,052</td>
<td>$845,710</td>
<td></td>
<td>$143,233</td>
<td>$87,493</td>
<td>$230,726</td>
</tr>
<tr>
<td>Support staff</td>
<td>216,158</td>
<td>46,704</td>
<td>262,862</td>
<td></td>
<td>59,195</td>
<td>35,786</td>
<td>94,981</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>175,796</td>
<td>17,718</td>
<td>193,514</td>
<td></td>
<td>31,678</td>
<td>25,297</td>
<td>56,975</td>
</tr>
<tr>
<td>Total salaries and related costs</td>
<td>1,180,612</td>
<td>121,474</td>
<td>1,302,086</td>
<td></td>
<td>234,106</td>
<td>148,576</td>
<td>382,682</td>
</tr>
<tr>
<td>Contract fees and consultants</td>
<td>479,596</td>
<td>11,856</td>
<td>491,452</td>
<td></td>
<td>60,590</td>
<td>28,629</td>
<td>89,219</td>
</tr>
<tr>
<td>Travel</td>
<td>177,261</td>
<td>3,796</td>
<td>181,057</td>
<td></td>
<td>39,909</td>
<td>14,035</td>
<td>53,944</td>
</tr>
<tr>
<td>Space costs</td>
<td>108,836</td>
<td>5,460</td>
<td>114,296</td>
<td></td>
<td>20,168</td>
<td>11,910</td>
<td>32,078</td>
</tr>
<tr>
<td>Office expenses</td>
<td>345,570</td>
<td>18,081</td>
<td>363,651</td>
<td></td>
<td>37,994</td>
<td>187,548</td>
<td>225,542</td>
</tr>
<tr>
<td>Equipment maintenance and rental</td>
<td>38,400</td>
<td>4,110</td>
<td>42,510</td>
<td></td>
<td>6,758</td>
<td>4,189</td>
<td>10,947</td>
</tr>
<tr>
<td>Litigation costs</td>
<td>46,352</td>
<td></td>
<td>46,352</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Library costs</td>
<td>35,969</td>
<td>6,658</td>
<td>42,627</td>
<td></td>
<td>1,169</td>
<td>818</td>
<td>1,987</td>
</tr>
<tr>
<td>Total expenses before depreciation</td>
<td>2,412,596</td>
<td>171,435</td>
<td>2,584,031</td>
<td></td>
<td>400,694</td>
<td>395,705</td>
<td>796,399</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment</td>
<td>9,200</td>
<td>654</td>
<td>9,854</td>
<td></td>
<td>1,528</td>
<td>1,510</td>
<td>3,038</td>
</tr>
<tr>
<td>Depreciation</td>
<td>44,493</td>
<td>3,161</td>
<td>47,654</td>
<td></td>
<td>7,386</td>
<td>7,300</td>
<td>14,686</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$2,466,289</td>
<td>$175,250</td>
<td>$2,641,539</td>
<td></td>
<td>$409,608</td>
<td>$404,515</td>
<td>$814,123</td>
</tr>
</tbody>
</table>

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

### Grants and Deferred Revenue

<table>
<thead>
<tr>
<th>Foundation</th>
<th>Grants receivable</th>
<th>Deferred revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ford Foundation</td>
<td>50,000</td>
<td>$895,675</td>
</tr>
<tr>
<td>Department of Health and Human Services, Administrative for Native Americans</td>
<td>$146,267</td>
<td></td>
</tr>
<tr>
<td>Legal Services Corporation</td>
<td>12,199</td>
<td></td>
</tr>
<tr>
<td>Bureau of Indian Affairs</td>
<td>190,951</td>
<td></td>
</tr>
<tr>
<td>J. Roderick MacArthur Foundation</td>
<td>8,569</td>
<td></td>
</tr>
<tr>
<td>The Fanny and Svante Knistrom Foundation</td>
<td>27,153</td>
<td></td>
</tr>
<tr>
<td>Carnegie Corporation</td>
<td>5,957</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>500</td>
<td>397</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$354,417</td>
<td>$937,751</td>
</tr>
</tbody>
</table>

### Note 4 — Mortgage and Note Payable:

Mortgage and note payable consisted of the following at September 30, 1986:

- Mortgage payable in equal monthly installments of $825, including interest at 12%, through May 1991. Secured by land and building. Promissory note payable in 60 monthly installments, including interest at 10.2%.

- Annual maturity requirements on the mortgage and note payable are as follows (fiscal years): 1987-$20,853; 1988-$22,586; 1989-$5,073; 1990-$1,446; 1991-$1,629; and 1992 and beyond-$68,342.

### Note 5 — Commitments:

NARF leases office space and equipment under operating leases. Future minimum rental payments under operating leases are summarized as follows:

<table>
<thead>
<tr>
<th>Year ending September 30</th>
<th>Office space</th>
<th>Equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>$20,040</td>
<td>$8,953</td>
<td>$28,993</td>
</tr>
<tr>
<td>1988</td>
<td>7,582</td>
<td>7,582</td>
<td>15,164</td>
</tr>
<tr>
<td>1989</td>
<td>744</td>
<td>744</td>
<td>1488</td>
</tr>
</tbody>
</table>

Rental expense for 1986 was $38,268.
In Appreciation

The Native American Rights Fund would like to acknowledge the generous support given by the following contributors during the 1986 fiscal year.

Foundations
Acorn Foundation
Carnegie Corporation of New York
Edna McConnell Clark Foundation
Ford Foundation
Frost Foundation
Heast Foundation
Fanny and Svante Knistrom Foundation
J. Roderick MacArthur Foundation
New Land Foundation
New World Foundation
Onaway Trust (Great Britain)
Rockefeller Foundation
Antonia Vivalde Foundation

Corporations And Other Private Donors
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CBS Inc.
Cummins Engine Foundation
D-Q University Board of Trustees
The Forest Fund
Fried, Frank, Harris, Shriver and Jacobson
General Electric Foundation
Grace Foundation, Inc.
Greyhound Corporation
International Business Machines
International Paper Company Foundation
James Travelpoints International
Law Students Civil Rights Research Council
McGraw-Hill Foundation, Inc.
National Lawyers Guild
Riverside Church of New York City
United Bank of Denver
U.S. West
Xerox Corporation

Federal Programs
Administration for Native Americans
Bureau of Indian Affairs
Legal Services Corporation

"Top Five"
(Out special thanks to these people who supported NARF very generously in 1986. Listed largest first.)
Ruth S. Thompson
Anna R. Rozier
Mr. and Mrs. Roger S. Clapp
John Engleman
Anne G. Baldwin

NARF “Benefactors”
(Individuals donating or pledging $1000+ cumulatively during NARF’s 1986 fiscal year)
Anne G. Baldwin
Mr. and Mrs. Roger S. Clapp
Naomi C. Dempsey
Joyce Di Russo
Ruth M. Dollby
Charles Fairman
Mrs. J. W. Gitt
P. M. Greenfield
A. Stuart Hanisch
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Peggy Kaplan
Helena Meltesen
Olive Molumpny
Edith Moser
Kady Lynn Ofen-Rovtar
Barbara and William Pierce
Pernell Roberts and Kara Knack
Anna R. Rozier
Sidney Stern Memorial Trust
Mr. and Mrs. Robert Stover
Mrs. Daniel Stroock
Miss Ruth Thompson
Catherine Tilghman
Thomas Van Buren
Margaret Westra
Lili H. Wilson

Special thanks to Edith O. Chapek, whose name was inadvertently omitted as a benefactor during our 1985 fiscal year.

NARF “Friends”
(Individuals donating or pledging $500-999 cumulatively during NARF’s 1986 fiscal year)
Scott Abott
Mr. and Mrs. K. Tucker Anderson
Elizabeth Arrigo
Sally Barlow
Kay Berkson
Lois Bisbee
Leonard Block
Paul Boeder
Linda Bollag
Bette D. Borenstein
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Harold A. Town
Kedma Utt
Dorothy vonDrasek
Walton Avenue Foundation
Waters Foundation
Louise and Daniel Weisz
Hilda Woodford
Belle Yaffe
**In Kind Contributions**

Alaska Legal Services - Anchorage, AL  
Victor Abbo - Boulder, CO  
Katrina McCormick Barnes - Santa Fe, NM  
Boulder Center for the Visual Arts - Boulder, CO  
Boulderado Hotel - Boulder, CO  
Colophon Press - Howard Harms - Boulder, CO  
Dixon Paper - Boulder, CO  
DWI Associates - Boulder, CO  
Hilander Hotel - Boulder, CO  
William Prater - IBM - Boulder, CO  
Price Waterhouse - Denver, CO  
Sturz and Copeland - Boulder, CO  
University of Colorado Museum, David Mayo - Boulder, CO  
University Inn - Boulder, CO  
Dr. Deward E. Walker, Jr. - Boulder, CO  
Charles Wilkinson - Eugene, OR  

**Memorials ($100+)**

FOR:  
Anne W. & Harold L. Ickes  
Tom W. Echohawk  
Edwin Adelman  
Jack E. Engleman  
Erwin R. Boynton  
Wanda J. Adams  
(In addition to the $100+ memorials, 81 gifts were made through the Otu‘han memorial program during the 1986 fiscal year.)

BY:  
Raymond W. Ickes  
Lucille A. Echohawk  
Anonymous  
John Engleman  
Margaret B. Boynton  
Julie Adams  

**(In addition to the $100+ memorials, 81 gifts were made through the Otu‘han memorial program during the 1986 fiscal year.)**

**Bequests**

Mira Nirska  
Ernest R. Parchefeld  
Elizabeth A. Weizenhoffer

**Tribal Contributions**

Confederated Tribe of Siletz Indians of Oregon  
Cow Creek Band of Umpqua Indians  
Delaware Tribe of Indians  
Hoopa Valley Business Council  
Menominee Indian Tribe of Wisconsin  
Passamaquoddy Joint Tribal Council  
St. Regis Mohawk Council  
Walker River Paiute Tribe  
Wisconsin Winnebago Business Community

**Matching Gifts**

Dimitri Birkin through Atlantic Richfield Foundation  
Karen Carmean through Digital Equipment Corporation  
Royal C. Downton through Illinois Tool Works Foundation  
Priscilla Duffy through Digital Equipment Corporation  
Lester Harwood through Equitable Life Assurance Society  
Will H. Hays, Jr. through The Lilly Endowment, Inc.  
Alvin Mabry through Atlantic Richfield Foundation  
Richard A. Magyar through Cray Research Foundation  
Theodore H. Plante through Joseph E. Seagram & Sons Inc.  
Seymour Preston, Jr. through Equitable Life Assurance Society  
K. Ramakrishna through Digital Equipment Corporation  
Barbara S. Ruch through Day-Timers, Inc.  
Dr. Jonas Salk through The John D. MacArthur Foundation

**Federated Work-Place Drives:**

Thank you to the thousands of federal employees and other individuals throughout the country, who, through a workplace deduction, contributed more than $60,000 to NARF in 1986.
Papago
Osage
Colville
Northern Cheyenne
Hopi
Lac La Croix Chippewa
Swinomish
Oneida
Jemez Pueblo
Muckleshoot
Walker River Paiute
Pawnee
Flathead
Kootenai
Winnebago
Sisseton-Wahpeton Sioux
Mescalero Apache
Sac and Fox
Unalakleet
Moapa Paiutes
Klamath
Blackfeet
San Juan Paiute
Bay Mills Chippewa
Oglala Sioux
Alabama-Coushatta
Karok
Tulalip
Umatilla
Catawba
Seminole
Lac Court Oreilles
Santa Ana Pueblo
Fallon Paiute
Tule River
Duck Valley Shoshone
Upper Mattaponi
Salish
Ponca
Pauima Mission Band
Laguna Mission Band
Mashantucket Pequot
Schaghticoke
Houma
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Cheyenne River Sioux
St. Regis Mohawk
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Navajo
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Tigua
Tewa
1970-1986

"16 years of access to justice for America's Native Americans"

Native American Rights Fund
1506 Broadway
Boulder, Colorado