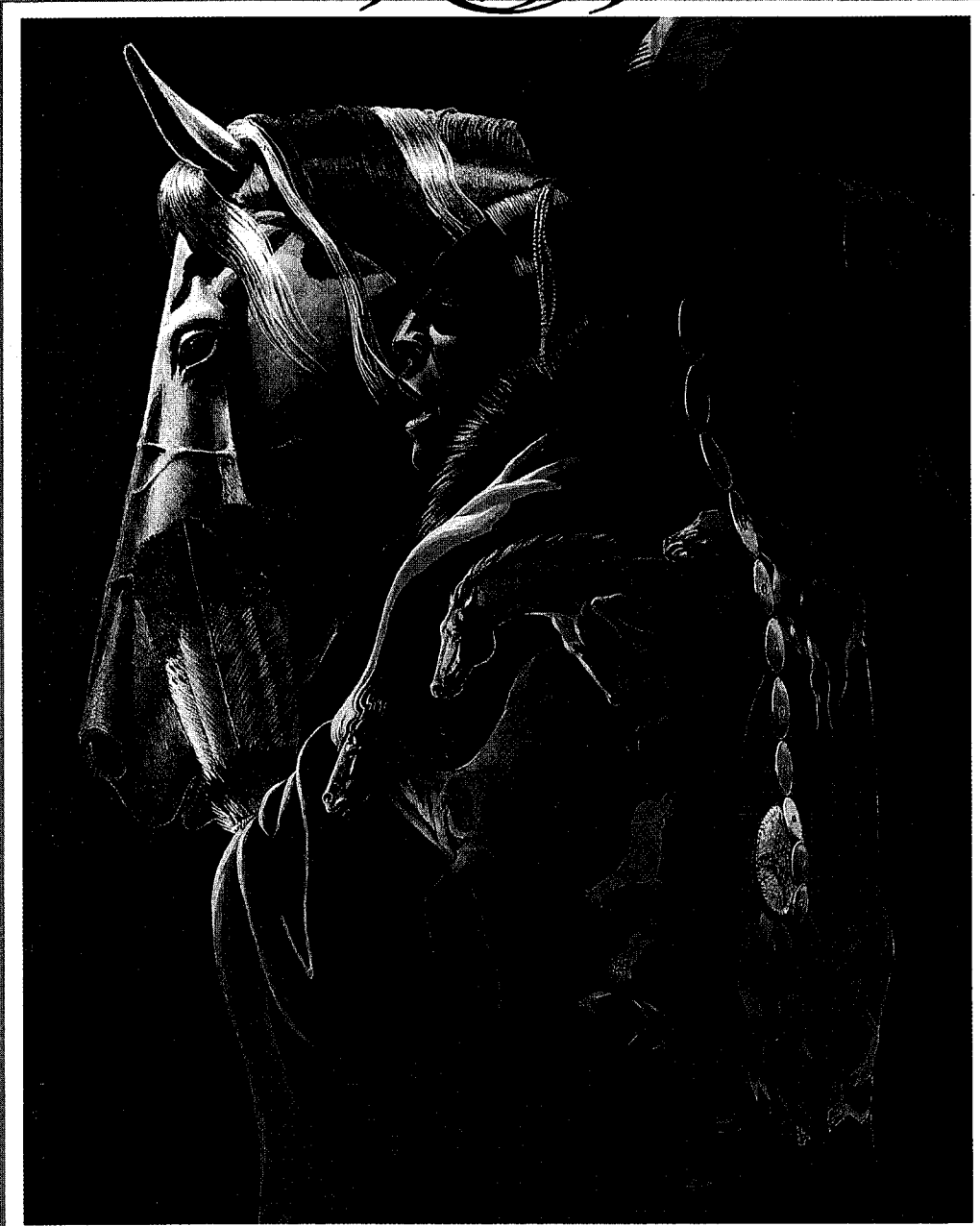


National Indian Law Library

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Annual Report 1988



NATIVE AMERICAN RIGHTS FUND

Annual Report 1988

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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.

Cover

He Sings of His Horses by Parker Boyiddle (Kiowa)

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Monty Roessel, James H. Barker, Western History Collections, Smithsonian Institution and Tom Casey/Oglala Lakota College.

NATIVE AMERICAN RIGHTS FUND

Chairman's Message



The Native American Rights Fund was founded in 1970 and just observed its 18th anniversary. Since that time, NARF has proven to be a significant force in protecting the rights of Native Americans. Many of these rights are guaranteed in treaties negotiated by the United States with Indian tribes on a government-to-government basis.

During these past 18 years, NARF has provided expert legal representation for hundreds of tribes which has literally benefitted thousands of Native Americans. NARF victories on behalf of Indian people, thus far, have provided tribes with increased land and water resources, the ability to continue traditional hunting and fishing rights, and the right to practice Native American religions. Some of NARF's past accomplishments include: helping the Alabama Coushatta Tribe of Texas and the Ysleta del Sur Pueblo of Texas restore their status as federally recognized tribes; and, helping the Oneida Tribe establish title to 250,000 acres of land in upstate New York.

Even though significant victories on behalf of Native Americans have been won, there remains much more work to be done for Indian rights. This year, NARF is involved in water rights cases for several western tribes, land claims for several eastern tribes, and rights of tribal self-government for Alaska Native villages. NARF is also involved in issues relating to Indian education, voting rights and Native American religious beliefs and practices. These rights of Native Americans must continue to be protected.

NARF will continue its fight for Native American tribes and individuals in asserting their rights. As it has in the past, NARF intends to play a major role in Indian rights in the coming years.

As chairman of NARF's Board of Directors, I am quite aware that the progress that Native Americans have made in the past would not be possible without your vital financial support. NARF gets results because it is a dedicated team of both Native Americans, non-natives and you. On behalf of the Board of Directors and staff, we thank everyone who has supported us in these past 18 years and hope you will continue to do so now and in the future.

Norman Ration
Chairman

Executive Director's Report

In 1988 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 1988 for Native Americans.

In *Twin City Construction Company v. Turtle Mountain Band of Chippewa Indians*, NARF successfully represented the Band in upholding the jurisdiction of its tribal court to resolve a contract dispute arising on the reservation between a tribal member and a non-Indian. A federal appeals court reviewed the tribal court's determination of jurisdiction and upheld it from a challenge mounted by a non-Indian doing business on the Band's reservation in North Dakota.

In *United States v. Bay Mills Chippewa Indian Community*, NARF was successful in protecting the Community's tribal gaming operations from a federal effort to close them down under the Organized Crime Control Act of 1970. The Act makes it a federal crime to run a gambling operation in violation of state law, but NARF asserted that the State of Michigan had no jurisdiction to regulate tribal gaming. The federal district court dismissed the case on the grounds that the injunctive and declaratory relief sought by the United States was not proper under criminal statutes.

NARF represented the Alaska Native Coalition, an organization of Native villages, during passage of the "1991 Amendments" to the Alaska Native Claims Settlement Act by Congress which were signed into law by the President in 1988. The amendments did extend the restrictions on alienation of Native corporate stock and did provide additional protections for Native lands held in Native corporate ownership, thus partially avoiding the potential of non-Native takeovers of Native corporations and lands that might have

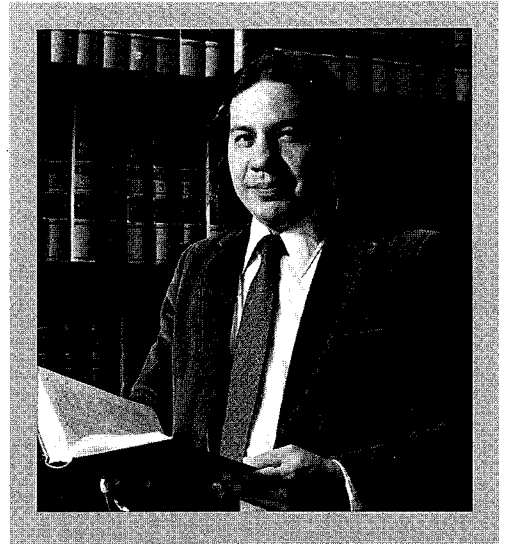
occurred after 1991 without such measures. Unfortunately, the amendments did not contain provisions facilitating the transfer of Native corporate lands back to tribal ownership which would have fully protected Native lands from involuntary transfer.

On behalf of five California tribes, NARF obtained passage of Congressional legislation which streamlines the process of securing federal approval of amendments to constitutions of tribal governments. The legislation grew out of a case previously won by NARF and California Indian Legal Services, *Coyote Valley Band of Indians v. United States*, which limited the ability of the Secretary of the Interior to indefinitely delay consideration of tribal constitutional amendments sought by tribes.

Through special grant funds, NARF began working in the economic development field for the first time through its Indian Economic Development Law Project. The goal of this effort is to help improve tribal economies through the use of tribal sovereign powers and tribal natural resources.

Negotiations were completed by NARF in 1988 on behalf of the Shoshone-Bannock Tribes over 12 lots of lands within the City of Pocatello, Idaho. The lots in question were never validly sold under an 1888 Act and were reclaimed by the Tribes in *United States v. Colianni*. A final settlement totaling \$55,000 for all the lots was reached.

In South Dakota, NARF represented Sisseton-Wahpeton Sioux parents in successfully challenging an at-large school district election procedure which prevented Indian representation on the local school board in violation of the Voting Rights Act. A settlement was reached with the school district in *Buckanaga v. Sisseton School District* that provided for a new cumulative voting procedure. This system gives Indians, who comprise a large part of the school district, a better opportunity to elect candidates of their choice to the school board.



In another voting rights case, NARF filed *Love v. Lumberton County Board of Education* on behalf of several Lumbee Indians in North Carolina to challenge the gerrymandering of school district lines to avoid Indian or black majorities. The case spurred a successful referendum vote which consolidated the school districts and changed the at-large election procedure to single member voting districts, thereby facilitating increased opportunity for Indian representation on the school board.

These and other significant developments in 1988 show that the American system of justice can work for Native Americans if they are given access. In hundreds of cases since 1970, NARF has provided this access to justice and made the legal process work for the benefit of Indian people who may otherwise have gone unrepresented. We thank all of you who have supported our work and hope that you will continue your assistance of our efforts.

John E. Echohawk
Executive Director

Board of Directors

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.

Norman Ration (*Navajo-Laguna*)

Chairman

Arizona

George Kalama (*Nisqually*)

Vice-Chairman

Washington

A. Kenneth Custalow (*Mattaponi*)

Virginia (term expired Fall '88)

Ada Deer (*Menominee*)

Wisconsin

Gene Gentry (*Klamath*)

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(*Mashantucket Pequot*)

Connecticut

Mahealani Ing (*Native Hawaiian*)

Hawaii

Danny Little Axe (*Absentee-Shawnee*)

Oklahoma

Calvin Peters (*Squaxin Island*)

Washington

Caleb Pungowiyi (*Siberian Yupik*)

Alaska

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Alaska

William Thorne (*Pomo*)

Utah

Eddie Tullis (*Poarch Band of Creeks*)

Alabama

Verna Williamson (*Isleta Pueblo*)

New Mexico



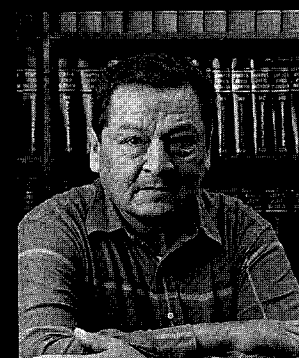
Norman Ration



George Kalama



Ada Deer



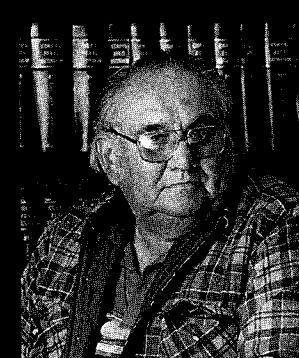
Gene Gentry



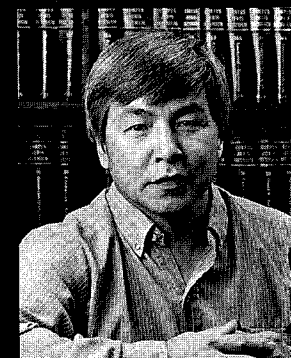
Richard A. Hayward



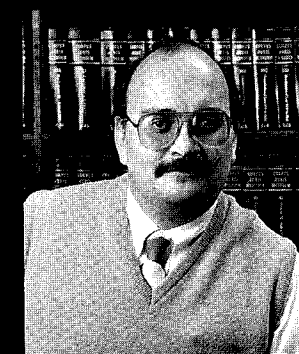
Danny Little Axe



Calvin Peters

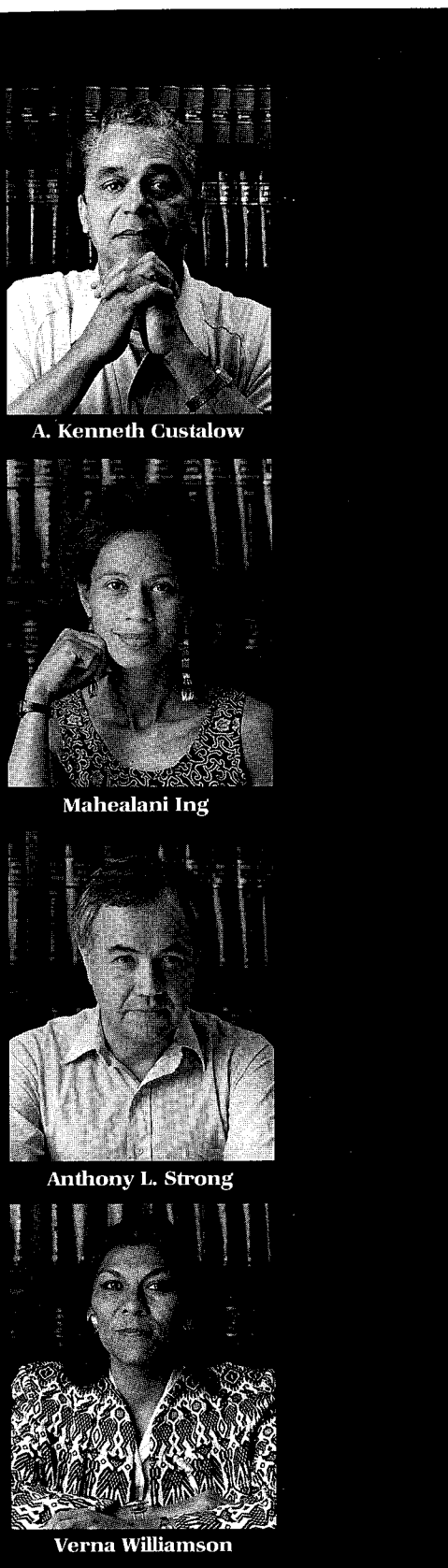


Caleb Pungowiyi



William Thorne

National Support Committee



Owanah Anderson (*Choctaw*)
Edward Asner
Katrina McCormick Barnes
David Brubeck
Rep. Ben Nighthorse Campbell
 (*Northern Cheyenne*)
Iron Eyes Cody (*Cherokee-Cree*)
 (Term expired December 1988)
Val Cordova (*Taos Pueblo*)
Norman Cousins
Harvey Dennenberg
 (Term effective January 1989)
Michael Dorris (*Modoc*)
 (Term effective January 1989)
Richard Dysart
Louise Erdrich
 (*Turtle Mountain Chippewa*)
 (Term effective January 1989)
James Garner
Sy Gomborg
Will H. Hays, Jr.
Alvin M. Josephy, Jr.
Billy Mills (*Oglala Sioux*)
N. Scott Momaday (*Kiowa*)
Alfonso Ortiz (*San Juan Tewa*)
Amado Peña (*Yaqui/Chicano*)
David Risling, Jr. (*Hoopa*)
Pernell Roberts
Dr. Jonas Salk
Leslie Marmon Silko (*Laguna Pueblo*)
Connie Stevens
Maria Tallchief (*Osage*)
Studs Terkel
The Rt. Rev. William C. Wantland
 (*Seminole*)
 (Term effective January 1989)
Ruth Thompson
Tenaya Torres (*Chiricahua Apache*)
Thomas N. Tureen
Dennis Weaver



Introduction

The Native American Rights Fund is a national legal defense fund for this country's American Indians. Now entering its 18th year, NARF has represented Indian clients in nearly every state in the nation. The hundreds of cases it has been involved in have concerned every area and issue in the field of Indian law. Over the years, NARF has gained 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 1960s. 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.

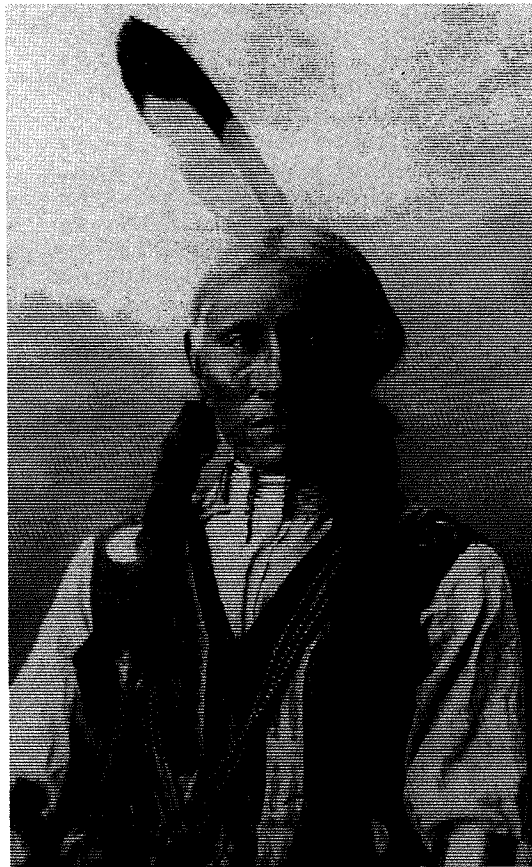
Indian legal services programs could not assist Indians everywhere, so the need for a national program to provide these services also became apparent. The Native American Rights Fund emerged in California in 1970 to fill this need. NARF was relocated to Boulder, Colorado, a more central location to Indian 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.



General Staff



“Now, finally, hundreds of individuals can exercise their rights to fish without fear of losing their homes and fishing boats to the Internal Revenue Service for failure to pay taxes they don’t owe.”

John Echohawk on the signing of Tax Reform Act that provided and reaffirmed Native fishermen the right to exercise treaty fishing rights without being subject to state or federal income taxes.

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. Most recently, NARF has begun working in the area of Indian economic development in appreciation of the fact that the future of tribal existence is closely tied to the development of tribal economies.

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 of 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 the past several years, NARF has successfully worked on tax cases that have reaffirmed and strengthened the tax immunity of tribal governments and tribal members.

NARF is assisting the Kluti Kaah Native Village of Copper Center in Alaska in its effort to collect tribal taxes. NARF helped the Village develop and implement its tribal tax ordinances in order to create additional revenue for needed governmental services. NARF also represents the Nome Eskimo Community in its appeal to the Alaska Supreme Court which concerns the validity of a city tax on the tribal headquarters and other property of the Nome Eskimo Community.

Unfortunately, the Ninth Circuit Court of Appeals upheld an earlier ruling that prohibits the Native Village of Venetie from enforcing a business activity tax on its land. In *State of Alaska v. Native Village of Venetie*, the Court found that the ruling was appropriate pending resolution of the Village's status as a tribal entity. The court sent the case back to the district level to make a determination of the village's status.

In Michigan, in *Teeple v. Commissioner of Internal Revenue Service* and *Teeple v. United States*, 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. To help resolve the issue, legislation was introduced in Congress to exempt the revenue derived from treaty fishing. On September 23, 1988, Congress passed the legislation to exempt treaty fishing income from taxation. The President is expected to sign the bill. When he does, treaty fisherman can exercise their treaty right to fish free of any federal or state taxation. Also, pending litigation will be resolved by this legislation.

NARF is also representing the Pyramid Lake Paiute Tribe of Nevada in litigation involving the Tribe's taxation ordinance in *Pyramid Lake Paiute Tribe v. Burchett*. In addition, NARF is also assisting the Tribe in further developing and amending its tax ordinance.

On behalf of the Council of Energy Resource Tribes and the Shoshone-Bannock Tribes, NARF filed an *amicus curiae* brief in a case with the U.S. Supreme Court. In *Cotton Petroleum v. New Mexico*, the Court will examine whether the existence of tribal severance taxes precludes state taxation of an energy company doing business on the Jicarilla Apache Reservation in New Mexico.

NARF successfully represented the Turtle Mountain Chippewa Tribe in its jurisdiction case concerning non-tribal members. In *Twin City Construction Company v. Turtle Mountain Band of Chippewa Indians*, the U.S. Court of Appeals for the 8th Circuit upheld a decision of the Turtle Mountain Chippewa Court of Appeals that Tribal Courts have jurisdiction over a suit by a tribal member against a non-Indian doing

business on the Turtle Mountain Reservation in North Dakota. This case establishes tribal members' rights to use a Tribal Court system to resolve disputes with non-members. It is the first case where federal courts have reviewed entire records developed by tribal courts on their jurisdiction.

In *U.S. v. Bay Mills Chippewa Indian Community*, NARF is defending the Community's tribal gaming operations against a challenge by the United States under the Organized Crime Control Act of 1970. The Act makes it a federal crime to run a gambling operation in violation of state law, but NARF asserts that the State of Michigan has no jurisdiction to regulate tribal gaming. In August, 1988, the Federal District Court for Western District of Michigan held that the injunctive and declaratory relief sought by the United States was not appropriate under criminal statutes and dismissed the case. The United States has appealed to the Sixth Circuit Court of Appeals.

NARF filed an *amicus curiae* brief with the U.S. Supreme Court in a tribal zoning ordinance case. In *Yakima Nation v. Whiteside*, the Court will review an appeals court decision that held the Tribe has exclusive zoning jurisdiction over non-member fee land on the Yakima Reservation in Washington. The case raises a number of important issues facing Indian tribes, including the effect of the allotment acts of the late 1800s on tribal jurisdiction over lands allotted under those acts, and whether a State can oust tribal jurisdiction over those lands.

On February 3, 1988, President Reagan signed into law the "1991 Amendments" to the Alaska Native Claims Settlement Act (ANCSA). NARF assisted the Alaska Native Coalition (ANC) in a major effort to amend the ANCSA.

Unless new legislation were passed, Native ownership of land and stock were in jeopardy of being taken over by non-Native interests in the year 1991. Through ANCSA in 1971, Alaska Native tribes received 44 million acres of land that was placed in corporations with the stock held by individual Natives who were alive on December 18, 1971. Sale of stock was prohibited for 20 years, during which time all undeveloped land was also immune from taxation. After the 20-

year period, Native stock could be sold on open market and many feared that non-Native corporations of interest would take over the native corporations. It was also certain that Native land would be lost through taxation or other means.

The new amendments extend the restrictions on the sale of Native stock for an indefinite period of time, but authorize individual corporations to lift the restrictions at their option. The legislation provides automatic "land bank" protections to land owned by a Native corporation so long as the land is not developed, leased or sold to third parties. However, these land protections do not cover developed lands and do not pro-

vide the level of protection given to tribal trust lands in the lower 48. ANCSA and NARF fought for authority to transfer lands from the corporations to tribes where they would have iron-clad protection from any form of involuntary loss. Unfortunately, the Alaska Congressional delegation would not allow that section of the bill to pass unless the tribes agreed to provisions severely restricting their sovereignty, which they refused to do.

In an Alaska Native sovereignty case, NARF filed an *amicus curiae* brief in *Native Village of Tyonek v. Puckett* in support of a federal district court's ruling that Tyonek possess sovereign immunity and self-governing powers, unaffected by

passage of ANCSA. A court ruling is expected soon.

NARF successfully assisted five California tribes in their effort to obtain Congressional legislation that provides amendments to the Indian Reorganization Act of 1934 to establish procedures and time deadlines in the Secretary of the Interior's review of tribal constitutions and bylaws. The legislation grew out of a case previously won by NARF and California Indian Legal Services, *Coyote Valley Band of Indians v. United States*, which limited the ability of the Secretary of the Interior to delay consideration of tribal constitutional amendments.



Attorney Staff

L-R 1st row — Don Wharton, Yvonne T. Knight (Poncha/Creek), Melody McCoy (Cherokee), Faith Roessel (Navajo), Jerilyn DeCoteau (Turtle Mountain Chippewa), Bart Garber (Dena'ina), 2nd row — John Echohawk (Pawnee), Rick Dauphinais (Turtle Mountain Chippewa), Robert M. Peregoy (Flathead), Kim Gottschalk, Lare Aschenbrenner, Walter Echo-Hawk (Pawnee), Tom LeClaire (Mohawk). Not pictured is Ethel Abeita (Laguna Pueblo), Bob Anderson (Nett Lake Chippewa), Henry J. Sockbeson (Penobscot), Steve Moore and Don Miller.





“Without belaboring the point, non-Indians have removed and carried away untold thousands of dead Indian bodies and literally hundreds of thousands of associated burial goods from Native graves. This widespread removal and retention of dead Indian bodies and grave goods is one of the most grisly and frightening problems confronting Indian people today.”

Walter Echo-Hawk
NARF Legal Review

The Protection of Tribal Natural Resources

The protection of tribal natural resources is closely linked to the preservation of tribal existence. Without a sufficient natural resource base to sustain it, tribal existence is difficult to maintain. In this area, NARF helps Indian people establish and maintain ownership and control of land, water rights, and hunting and fishing rights.

Protection of Indian Lands

NARF is helping the Swinomish Tribe prepare for trial in a land rights case in the State of Washington. In *Swinomish Tribal Community v. Burlington Northern, Inc.*, the Community is seeking to regain tidelands and other submerged lands adjoining the uplands on its Reservation. To date, NARF has negotiated settlements with most of the defendants in the suit that recognize the Community's title. NARF is also assisting the San Juan Paiutes in Arizona in asserting title to a land base and the Pamunkey Tribe in defining its reservation boundaries in Virginia.

In *Walker River Paiute Tribe v. Southern Pacific*, NARF is conducting negotiations on behalf of the Tribe with Southern Pacific Railway to collect trespass damages for use of the railroad on

their reservation in Nevada without tribal consent and to negotiate the future of the railroad on the reservation. In *United States v. Colianni*, NARF successfully assisted the Shoshone-Bannock Tribe in their claim to 12 lots of land within the City of Pocatello, Idaho. The Tribe received \$55,000 as a result of the settlement with the occupants. The lots in question were never validly sold under an 1888 Act.

NARF successfully assisted the St. Croix Band of Chippewa Indians of Wisconsin place land in trust for the purpose of conducting a tribal bingo enterprise. The action occurred after NARF challenged the Secretary of the Interior's refusal to place certain off-reservation tribal lands in federal trust status for the Tribe. The Tribe claimed that the refusal was unlawful because it relied on a rule illegally adopted in violation of the Administrative Procedure Act. A federal court ordered the Department of Interior to review the Tribe's petition under its previous policy and without any recourse to the illegal rule. After the land was placed in trust status, the Department of the Interior declared the subject land a reservation pursuant to the Indian Reorganization Act of 1934.

In *Metropolitan Water District v. United States*, the 9th Circuit Court of Appeals held that a water district's challenge to federal determinations of the boundaries of three Indian reservations along the Colorado River was barred by the federal government's immunity from suit. NARF filed an *amicus curiae* brief in the U.S. Supreme Court on behalf of several tribes urging the Court to uphold the 9th Circuit's decision after it accepted the case for review. The location of boundaries is a crucial step in quantification of the water rights due the Tribes under *Arizona v. California*.

In *Cheyenne-Arapaho Tribe v. United States*, NARF is representing the Tribe in its suit to stop the Bureau of Indian Affairs (BIA) from renegotiating tribal oil and gas leases without tribal consent. The BIA has been renegotiating oil and gas leases at below market value and the Tribe wants the right to negotiate its own leases at fair competitive rates.

NARF is also assisting the Pottawatomi in Canada, whose ancestors fled the United States in the early 1900s to escape removal, in their claim against the federal government for breach of treaty obligations. The band is seeking annuities from the federal government which in the past has been rejected before the Indian Claims Commission on the basis that they are not Indians residing within the United States. NARF is seeking other alternative ways to help the Tribe recover the annuities owed.

Eastern Land Claims

NARF began representing many Eastern tribes in their land claims during the 1970s. Most of these claims are based on the Indian Non-Intercourse Act of 1790 prohibiting the transfer of Indian land without federal consent which is lacking in each of the cases.

In *South Carolina v. Catawba Indian Tribe*, NARF represents the Tribe in



Alaska Office Staff

L-R — Bart Garber, attorney (Denaina); Rita Pitka, secretary (Turtle Mountain Chippewa); Martina Mancil, secretary (Tlingit); Lare Aschenbrenner, attorney.

determining the impact of a ruling that holds that the Tribe's claim to 144,000 acres of land is subject to the State's statute of limitations. NARF is also assisting the Schaghticoke Tribe of Connecticut and the Stockbridge-Munsee Tribe of Wisconsin in settlement negotiations on their land claims and is appealing an adverse decision for the Alabama-Coushatta Tribe of Texas on their land claim.

Water Rights

Since most Indian tribes are located in the western states where water is scarce, water rights are of central importance to many tribes whose reservation economies and futures are dependent upon access to water. Nearly all the western tribes are involved in either litigation or negotiations to establish their reserved water rights which guarantee water for both present and future uses with priority over most non-Indian uses.

In *Fort McDowell Indian Community v. Salt River Project*, NARF is preparing 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.

In 1986, NARF successfully helped the Muckleshoot Tribe of Washington restore its White River fishery in the State of Washington. In *Muckleshoot Tribe v. Puget Sound Power and Light Company*, the power company agreed to construct a large fish hatchery on the White River. NARF is now 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 interests.

NARF is helping the Northern Cheyenne Tribe in their negotiations with the Montana Reserved Water Rights

Compact Commission to settle their water claims. A proposed compact for the Northern Cheyenne Tribe has been sent to the Commission and negotiations will begin in January, 1989. NARF is assisting the Nez Perce Tribe of Idaho in negotiations with the State of Idaho to quantify and establish their water rights in the Snake River Basin adjudication and is also assisting the Klamath Tribe of Oregon quantify their water rights in the Klamath River Basin in Oregon. NARF is also researching the Chippewa-Cree Tribe's water claim in the Missouri River Basin in Montana.

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.



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 previously reached following a decision in *U.S. v. Michigan*, where the courts affirmed the Tribe's treaty right to fish under tribal regulations and to have exclusive access to fish in certain parts of the Great Lakes.

In *Katie John v. State of Alaska*, NARF continues to assert subsistence fishing rights for Alaskan Native subsistence users. Last year, for the first time since 1964, members of the Alaska Native Villages of Mentasta and Dot Lake were allowed to legally fish for subsistence purposes at their traditional fishing site. Further litigation is underway to remove remaining restrictions of subsistence fishing by Alaska Natives.

"It may be hard for us to understand why these Indians cling so tenaciously to their lands and traditional tribal way of life. The record does not leave the impression that the lands of their reservation are the most fertile, the landscape the most beautiful or their homes the most splendid specimens of architecture. But this is their home — their ancestral home. There, they, their children, and their forebears were born. They, too, have their memories and their loves. Some things are worth more than money."

Justice Hugo Black
U.S. Supreme Court



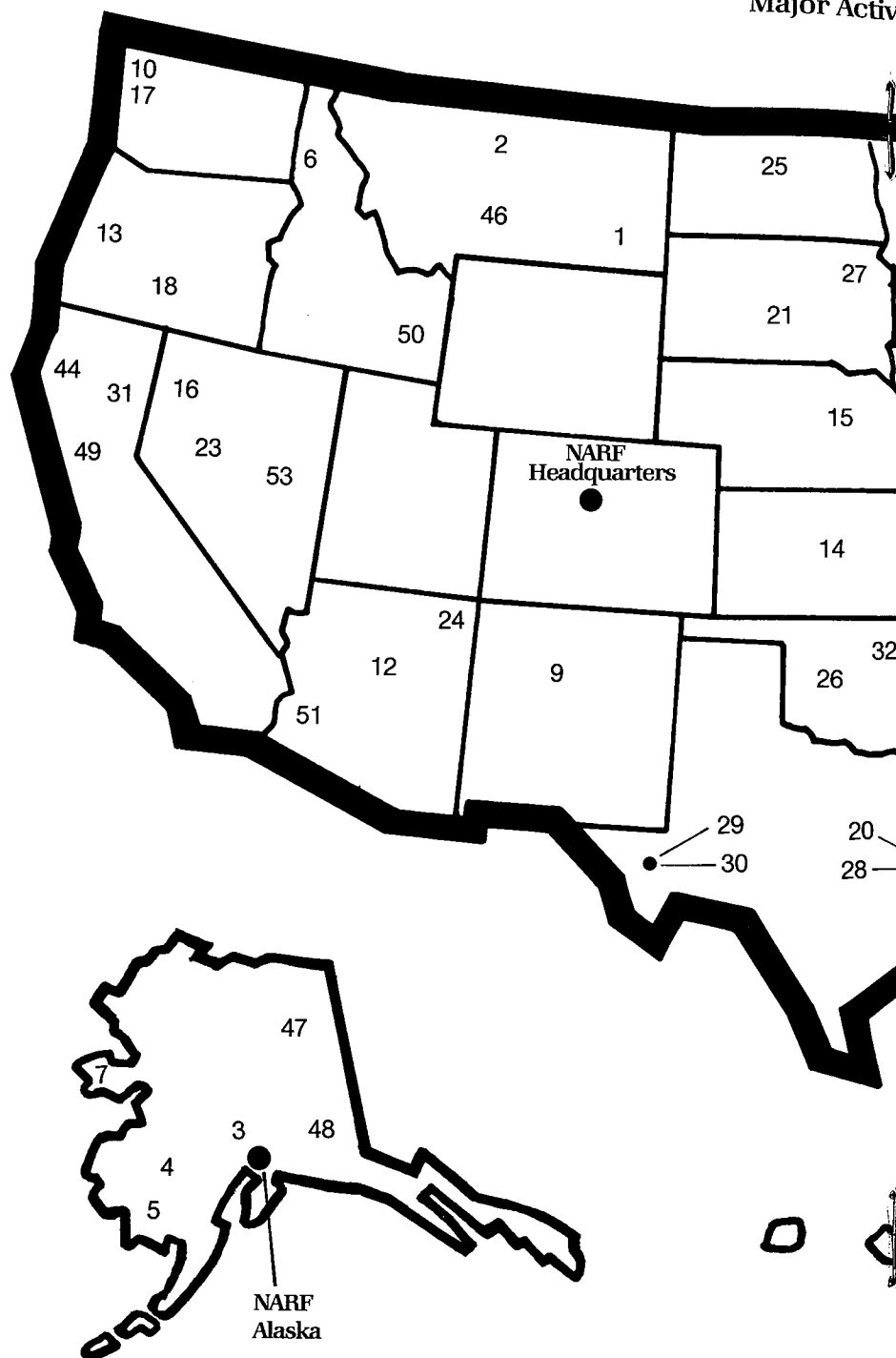


“Today’s ruling sacrifices a religion at least as old as the Nation itself, along with the spiritual well-being of its approximately 5,000 adherents, so that the Forest Service can build a six-mile segment of road that the lower courts found had only the most marginal and speculative utility, both to the government itself and to the private lumber interest that might conceivably use it.”

Dissent Opinion written by Justice **William J. Brennan** in *Lyng v. Northwest Indian Cemetery Protection Association*

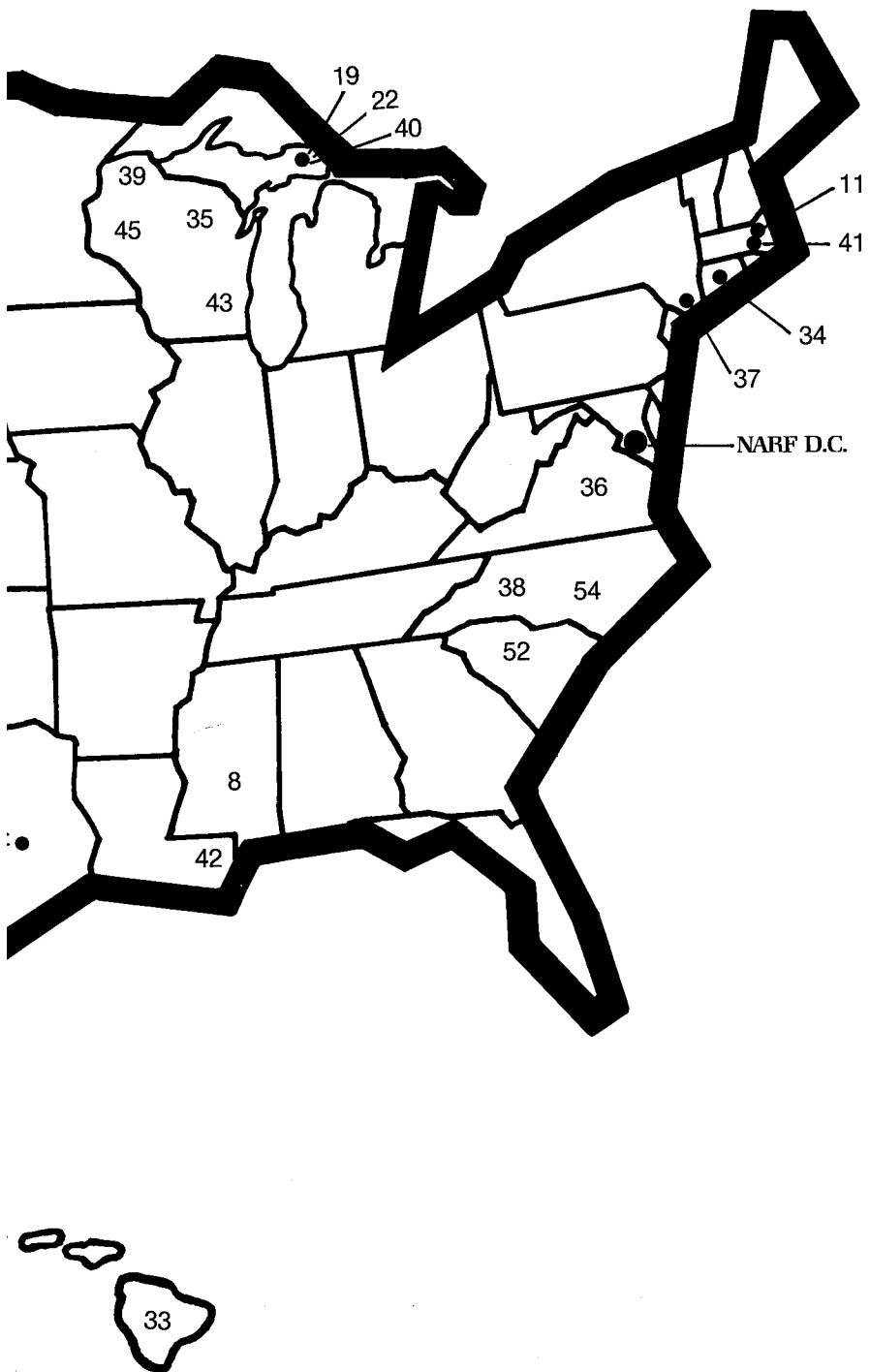
Native American Major Activ

- | | | |
|----|----|---|
| MT | 1 | Northern Cheyenne Tribe (water rights) |
| MT | 2 | Rocky Boy (water rights) |
| AK | 3 | Katie John v. State of Alaska |
| AK | 4 | Native Village of Akiachak v. Notti |
| AK | 5 | Alaska Native Coalition |
| ID | 6 | Nez Perce Water |
| AK | 7 | Nome Eskimo Community |
| MS | 8 | Mississippi Choctaw Tribe v. Holyfield |
| NM | 9 | Cotton Petroleum v. New Mexico |
| WA | 10 | Swinomish Tribal Community v. Burlington Northern, Inc. |
| MA | 11 | Gay Head Wampanoag of Massachusetts (land claim) |
| AZ | 12 | Ft. McDowell Indian Community v. Salt River Project |
| OR | 13 | Employment Division v. Smith |
| KS | 14 | Kansas Burial Issue |
| NB | 15 | Nebraska Burial Issue |
| NV | 16 | Pyramid Lake Paiute Tribe v. Burchett |
| WA | 17 | Muckleshoot Tribe v. Puget Sound Power & Light Co. |
| OR | 18 | Klamath Tribe (water rights) |
| MI | 19 | U.S. v. Michigan |
| TX | 20 | Alabama Coushatta (land claim) |
| SD | 21 | Rosebud Sioux Tribe (education code) |
| MI | 22 | Teeple v. Commissioner of IRS |
| NV | 23 | Walker River Paiute Tribe v. Southern Pacific |
| AZ | 24 | San Juan Paiutes (federal recognition/land claim) |
| ND | 25 | Twin Cities v. Turtle Mountain |
| OK | 26 | Cheyenne Arapahoe v. U.S. |
| SD | 27 | Buckanaga v. Sisseton School District |
| TX | 28 | Alabama Coushatta Restoration |



During this reporting period NARF processed approximately 400 requests from Tribes, individuals and organizations.

**Rights Fund
ies 1988**



- TX 29 Ysleta del Sur Pueblo (restoration)
- TX 30 Ysleta del Sur Pueblo (land claim)
- CA 31 Lyng v. Northwest Indian Cemetery
- OK 32 Kauley v. Clarke
- HI 33 Dedman v. Hawaii Board of Land & Natural Resources
- CT 34 Schaghticoke Tribe of Connecticut
- WI 35 Stockbridge-Munsee Tribe of Wisconsin (land claim)
- VA 36 Pamunkey Federal Recognition
- NY 37 Shinnecock Tribal Recognition
- NC 38 Love v. Lumberton
- WI 39 Pottawatomi Land Claim Matter
- MI 40 U.S. v. Bay Mills Chippewa Indian Community
- MA 41 Mashpee Wampanoag Tribe of Massachusetts (recognition)
- LA 42 Houma Tribe of Louisiana (recognition)
- WI 43 Brothertown Tribe of Wisconsin (recognition)
- CA 44 Hoopa Valley Tribe of California (education)
- WI 45 St. Croix Chippewa Indians of Wisconsin (land request)
- MT 46 Little Shell Band of Chippewas (land request)
- AK 47 State v. Native Village of Venetie
- AK 48 Alyeska Pipeline Co. v. Kluti Kaah Native Village of Copper Center
- CA 49 Coyote Valley Band of Indians
- ID 50 U.S. v. Colianni
- AZ 51 Metropolitan Water District v. U.S.
- SC 52 South Carolina v. Catawba Indian Tribe
- NV 53 Ely Retrocession

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 1988, NARF provided assistance in problems involving religious freedom, voting rights, education and Indian child welfare.

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.

This year, the U.S. Supreme Court made adverse rulings in two religious freedom cases that NARF filed *amicus curiae* briefs on in behalf of tribes and organizations. In the first case, *Lyng v. Northwest Indian Cemetery*, the Court ruled that the Forest Service could complete a road project in a section of land regarded as sacred by Yurok, Karok and Talowa Indians. In a 5-3 decision, the Court overturned a lower court ruling that held the project violated the Indians' religious freedom guarantee under the First Amendment. Legislative remedies to protect this sacred site and others are now under consideration.

In the second case, the Court sent back a peyote case to the Oregon Supreme Court to determine if the use of peyote in religious ceremonies is legal in Oregon. In *Employment Division, Department of Human Services of the State of Oregon v. Smith*, the Court examined the refusal of the State of Oregon to pay unemployment benefits to members of the Native American Church who were fired from their jobs for peyote use during religious ceremonies. The Oregon Supreme Court held that the denial of unemployment benefits violated the Free Exercise Clause of the First Amendment.

In *Dedman v. Hawaii Board of Land and Natural Resources*, the U.S. Supreme Court denied the appeal of Native Hawaiians to stop the development of a geothermal project on the island of Hawaii. The Natives allege the volcano is a sacred religious site and that its proposed development would infringe on their religious beliefs and practices. NARF serves as co-counsel with the Native Hawaiian Legal Corporation and private attorneys.

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 is assisting the State of Kansas draft legislation to stop the desecration of Indian burial grounds there. In the State of Nebraska, NARF is assisting the Pawnee Tribe of Oklahoma recover the remains of its ancestors and burial goods stored in state museums.

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 successfully challenged the issue of an at-large district voting procedure which prevented minority representation on a local school board. In *Buckanaga v. Sisseton School District*, NARF reached a settlement with the school district that provided for a cumulative voting scheme. The system would give Indians a better opportunity to elect candidates of their choice to the local school board and comply with the Voting Rights Act. The settlement ends a four-year-old struggle by Indian parents to establish a fair election procedure.

On behalf of several Lumbee tribal members, NARF conducted an extensive investigation of Robeson County, North Carolina, to determine if the County had been gerrymandered to avoid predom-



Washington DC staff

L-R — Mark Small, ANA program specialist (Northern Cheyenne), Faith Roessel, attorney (Navajo), Tom LeClaire, attorney (Mohawk), Pat Tassar, secretary

inantly Indian or Black school districts. The case, *Love, et. al. v. Lumberton County Board of Education, et. al.*, was stayed by the Court pending a referendum vote that would consolidate the school districts and change it from an at-large system to a single-member voting district. The vote passed in March 1988, however, the lawsuit served as an impetus to get Indian citizens out to vote for the merger. Under Section 5 of the Voting Rights Act, the School Boards are required to submit the selection change to the U.S. Department of Justice for approval. NARF submitted comments on the election change to the Department of Justice.

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 participatory voice in deciding the educational future of their children.

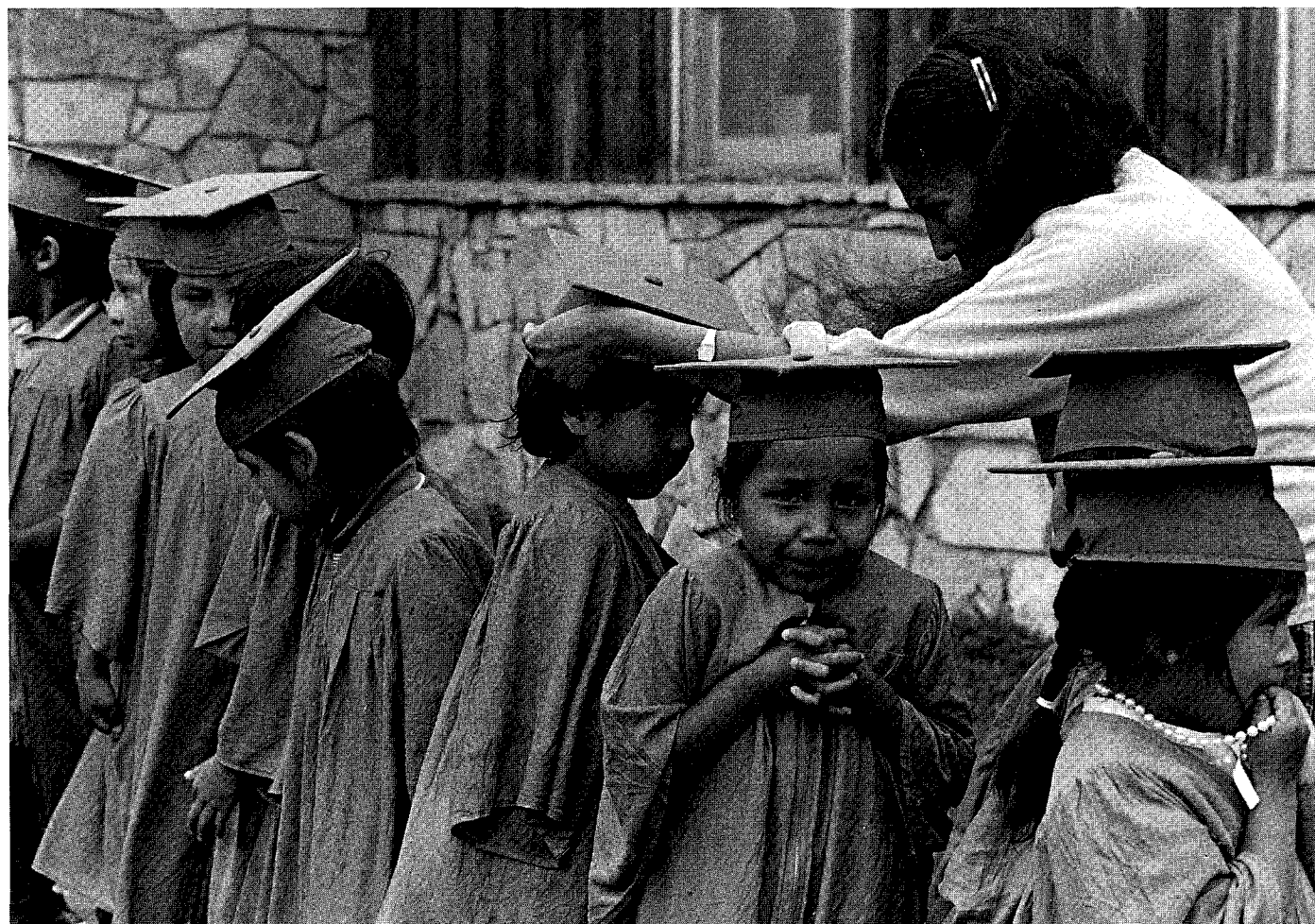
NARF is assisting the Rosebud Sioux Tribe of South Dakota in developing an education code that addresses several issues the Tribe has identified regarding education in the primary and secondary schools on the Rosebud Sioux Reservation.

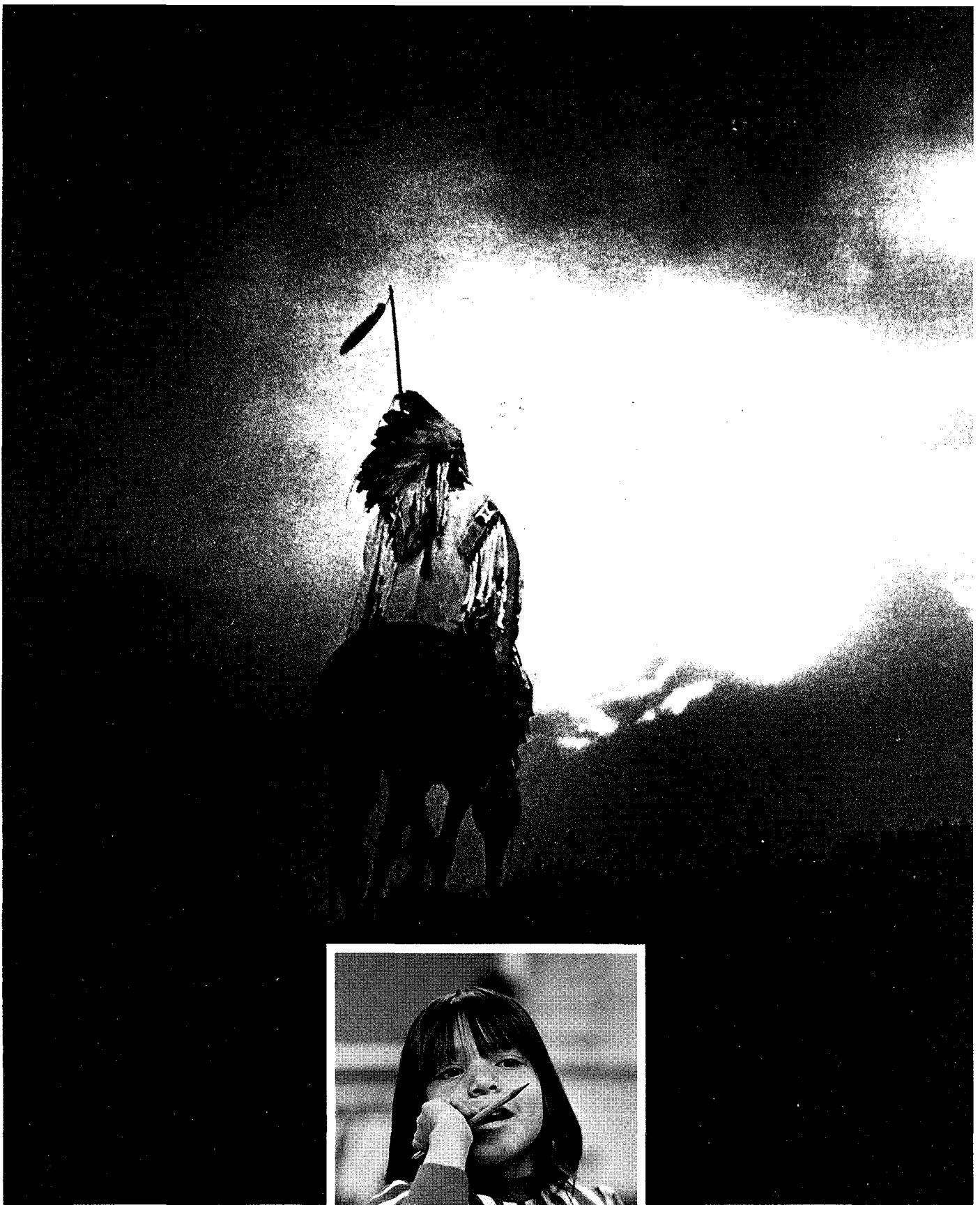
On behalf of the Hoopa Tribe of California, NARF commented on proposed rules regarding the Bureau of Indian Affairs' higher educational grant and loan program. The BIA higher education grant program is authorized by the Snyder Act which provides the authority for most BIA programs. The objective of the program under the proposed rules is "to provide financial aid to eligible Indian students to obtain an undergraduate degree or certificate from an accredited institution of higher learning."

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.

NARF and the Native American Program-Oregon Legal Services (NAPOLS) filed an *amicus curiae* brief with the U.S. Supreme Court in an ICWA case. In *Mississippi Band of Choctaw Indians v. Holyfield*, the Court will review whether the Mississippi Choctaw Tribal Court has exclusive jurisdiction over the adoption of Indian children who were born off the Choctaw reservation although their parents lived on the reservation.







"The white man does not understand America. he is too far removed from its formative processes. The man from Europe is still a foreigner and an alien. And he still hates the man who questioned his path across the continent. But in the Indian the spirit of the land is still vested; it will be until other men are able to divine and meet its rhythm. Men must be born and reborn to belong. Their bodies must be formed of the dust of their forefathers' bones. "

Luther Standing Bear
Sioux

The Accountability of Governments

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 of the law guarantees. NARF is also assisting 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. This year, legislation successfully passed the Alaska Legislature allowing communities to dissolve state-chartered municipalities in favor of tribal governments. The City government of Akiachak will soon be dissolved.

In *Kauley v. Clark*, 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 is also assisting the Rosebud Sioux Tribe of South Dakota negotiate payment of its outstanding Comprehensive Employment Training Act (CETA) debt. So far, the debt has been reduced by two-thirds.



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 1988, 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 conducted a national training event on Federal Indian Law focused on the areas of jurisdiction and sovereignty, Indian entitlements, domestic relations, natural resources, and Indian civil rights in 1988. The publication of a monthly newsletter distributed to Indian law practitioners is another service performed by the Center.

The ILSC continues to assist directly in the litigation involving Klamath tribal water rights, enforcement of federal oil and gas laws and the federal trust responsibility for members of Oklahoma tribes, the rights of Native prisoners in Idaho, California and Alaska, and the protection of First Amendment religious rights of Native Americans and Hawaiian Natives. Additionally, the ILSC has written and widely distributed six manuals on major areas of Indian law. The manuals include: *A Manual on Tribal Regulatory Systems*, *A Self-Help Manual for Indian Economic Development*, *A Handbook of Federal Indian Education Laws*, *A Manual for Protecting Indian Natural Resources*, *A Manual on the Indian Child Welfare Act and Laws Affecting Indian Juveniles*, and a manual on *Prison Law and the Rights of Native American Prisoners*. Updates to three of these manuals are also available.

National Indian Law Library

Beginning its 15th year of existence is the National Indian Law Library (NILL), a NARF special project in the development of Indian law. The library serves as a clearinghouse and invaluable resource for Indian legal materials. During the 1988 fiscal year, the library staff processed over 4,673 requests for information from throughout the United States and many 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 officials, 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, treaties, studies, books, 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 non-cumulative 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 meetings such as the National Congress of American Indians, Federal Bar Association and the National Indian Education Association.

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.

On February 26, 1988, the U.S. Department of the Interior announced its official acceptance of Nevada's offer to return, or retrocede, civil and criminal jurisdiction over Ely Indian Colony to the United States. The favorable decision means the Ely Colony Shoshone Tribe will now exercise exclusive jurisdiction over misdemeanor crimes committed by Indians on Ely Colony lands, as well as over all civil matters occurring thereon which affect the interests of the Tribe or its members.

NARF Legal Review



Treasurer's Report

This year, Native American Rights Fund's total fund balances grew by \$188,852 to total \$1,024,782 as of September 30, 1988. This growth reflects increased efforts to raise funds to support a new staffing level, NARF's highest in over ten years, of eighteen attorneys.

Support and revenue totalled \$4,376,221 in fiscal 1988, which is an increase of 19.5% over fiscal 1987 support and revenue. Revenue sources as a percentage of total support and revenue are shown below for both years.

Revenue Source	FY88	FY87
Government	43.3%	35%
Foundations & Trusts	23.3	29
Individuals & Corporations	17.9	20
Legal Fees	6.0	9
Other	9.5	7
	100.0%	100%

Revenue dollars increased from government grants, contributions and other sources. A large bequest and recovery of fees in one of NARF's cases were major elements in the increase of the "other" revenue category.

Revenue dollars decreased slightly from foundation grants, and decreased from fee income. None of the revenue source changes is seen as a trend which will affect NARF's overall funding composition.

NARF's expenditures increased in fiscal 1988 by 11.5% over fiscal 1987, to a total of \$4,187,369. The increase reflects the gradual staffing climb from sixteen to eighteen attorneys during the year, as well as usual cost increases.

Expenditures for Program services and Support services as a percentage of total expenditures are given below for both fiscal 1988 and fiscal 1987.

Functional Expenditures	FY88	FY87
Litigation & Client services	72.0%	72.5%
National Indian Law Library	5.7%	5.1%
Program services	77.7%	77.6%
Management & General	10.0%	10.1%
Fundraising	12.3%	12.3%
Support Services	22.3%	22.4%

Program services expenditures increased as a percent of total by 0.1% in fiscal 1988. It is one of NARF's fiscal goals to translate as much revenue as possible into providing direct services to its client constituency.

NARF's audited financial statements are presented following this report for your review.



Professional Staff

L-R 1st row — Mary Hanewall, Development Officer, Marilyn Pourier, Development Assistant (Oglala Sioux), Susan Arkeketa, Grantwriter/Editor (Otoe-Missouria/Creek), 2nd row — Rose Brave, Office Manager (Oglala Sioux), Ed Bristow (Cherokee/Choctaw), Susan Hart, Controller.



REPORT OF INDEPENDENT ACCOUNTANTS

December 16, 1988

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

In our opinion, the accompanying balance sheets and the related statements of support, revenue, expenses and changes in fund balances, of changes in cash and of functional expenses present fairly, in all material respects, the financial position of Native American Rights Fund, Inc. at September 30, 1988 and 1987, and the results of its operations and changes in fund balances and changes in its cash for the years then ended in conformity with generally accepted accounting principles. These financial statements are the responsibility of the organization's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audits 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Price Waterhouse

NATIVE AMERICAN RIGHTS FUND, INC.

BALANCE SHEET

	September 30,			
	1988			1987
	Current funds Unrestricted	Restricted	General fixed asset fund	Total all funds
ASSETS				
Cash, including certificates of deposit of \$870,132 and \$270,132, respectively — partially pledged (Note 4)	\$985,447	\$	\$	\$ 985,447
Marketable securities, at cost (Note 2)	345,071			345,071
Grants receivable (Note 3)		957,211		957,211
Other receivables, net of allowance for doubtful accounts of \$37,000 and \$0, respectively	329,747			329,747
Prepaid expenses and other assets	39,789			39,789
Interfund receivable (payable)	(759,491)	759,491		
Property and equipment, at cost:				
Land and buildings			313,938	313,938
Improvements to land and buildings			145,328	145,328
Office equipment and furnishings			532,759	532,759
Professional library			110,528	110,528
Less: accumulated depreciation			(549,816)	(549,816)
	<u>\$940,563</u>	<u>\$1,716,702</u>	<u>\$552,737</u>	<u>\$3,210,002</u>
				<u>\$1,716,755</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$197,173	\$	\$	\$ 197,173
Other accrued expenses	142,978			142,978
Deferred revenue (Note 3)		1,716,702		1,716,702
Mortgage and notes payable (Note 4)	25,000		103,367	128,367
Fund balances	575,412		449,370	1,024,782
Commitments (Note 5)				
	<u>\$940,563</u>	<u>\$1,716,702</u>	<u>\$552,737</u>	<u>\$3,210,002</u>
				<u>\$1,716,755</u>

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,				
	1988		General fixed asset fund	Total all funds	1987
	Unrestricted	Restricted			Total all funds
Support and revenue: (Note 6)					
Governmental grants	\$	\$1,893,203	\$	\$1,893,203	\$1,269,681
Foundation and trust grants	236,926	781,790		1,018,716	1,053,791
Contributions	785,307			785,307	736,845
Legal fees	97,309	164,279		261,588	332,561
Other	417,407			417,407	268,383
Total support and revenue	1,536,949	2,839,272		4,376,221	3,661,261
Expenses:					
Program services: (Note 6)					
Litigation and client services	972,542	1,980,876	62,437	3,015,855	2,723,406
National Indian Law Library	77,107	157,167	4,950	239,224	192,082
Total program services	1,049,649	2,138,043	67,387	3,255,079	2,915,488
Support services:					
Management and general	134,767	274,370	8,652	417,789	378,295
Fund raising	165,961	337,885	10,655	514,501	462,339
Total support services	300,728	612,255	19,307	932,290	840,634
Total expenses	1,350,377	2,750,298	86,694	4,187,369	3,756,122
Excess (deficiency) of support and revenue over expenses	186,572	88,974	(86,694)	188,852	(94,861)
Fund balances, beginning of year	453,402		382,528	835,930	930,791
Other changes in fund balances:					
Acquisition of property and equipment	(63,329)	(64,287)	127,616		
Repayment of mortgage and notes payable	(1,233)	(24,687)	25,920		
Fund balances, end of year	\$ 575,412	\$ —	\$449,370	\$1,024,782	\$ 835,930

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

NATIVE AMERICAN RIGHTS FUND, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1988

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 resources, 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. 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)

All 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 records. The interfund receivable (payable) results from the excess of net assets specifically identifiable with the restricted fund over deferred revenue at September 30, 1988 and 1987.

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.

NATIVE AMERICAN RIGHTS FUND, INC.
STATEMENT OF CHANGES IN CASH

For the year ended September 30,

	1988				1987
	Current funds		General fixed asset fund	Total all funds	Total all funds
	Unrestricted	Restricted			
Cash was provided by (used for):					
Excess (deficiency) of support and revenue over expenses	\$186,572	\$ 88,974	\$ (86,694)	\$ 188,852	\$ (94,861)
Add (deduct) items not affecting cash:					
Deferred revenue and grants receivable recognized as support and revenue		(1,371,131)		(1,371,131)	(1,194,771)
Bad debt expense	109,257			109,257	2,802
Depreciation			85,625	85,625	70,179
Loss on disposal of property and equipment			1,069	1,069	4,251
Deferred revenue received and grants receivable collected		1,973,723		1,973,723	768,336
(Increase) decrease in other receivables (net of accounts written off of \$72,257 and \$2,802, respectively)	(82,119)			(82,119)	(150,012)
(Increase) decrease in prepaid expenses	8,963			8,963	(10,362)
Increase (decrease) in interfund receivable/payable	602,592	(602,592)			
Increase (decrease) in accounts payable	45,258			45,258	(58,822)
Increase (decrease) in other accrued expenses	(42,726)			(42,726)	17,257
Cash provided by (used for) operations	827,797	88,974		916,771	(646,003)
(Increase) decrease in marketable securities	(123,678)			(123,678)	(11,544)
Proceeds from issuance of note payable	25,000			25,000	26,400
	729,119	88,974		818,093	(631,147)
Cash was used for:					
Net fund balance transfers	(64,562)	(88,974)	153,536		
Acquisition of property and equipment			(127,616)	(127,616)	85,317
Repayment of mortgage and notes payable			(25,920)	(25,920)	17,042
	(64,562)	(88,974)		(153,536)	102,359
Increase (decrease) in cash	\$664,557	\$ —	\$ —	\$ 664,557	\$ (733,506)

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

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 related 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 and restricted funds.

Depreciation

Depreciation is computed over the estimated useful lives of the assets using the straight-line method for buildings (25 years), the professional library (30 years), copiers (5 years), and computer hardware and software (5 years), and the declining balance method for other property and equipment (10 years).

Reclassifications

Certain 1987 amounts have been reclassified for comparative purposes.

NOTE 2 — MARKETABLE SECURITIES

Marketable securities consist of marketable corporate equity and debt securities and mutual fund investments. These investments are stated at cost of \$345,071 and \$221,393 which is lower than market of \$357,878 and \$258,286 at September 30, 1988 and 1987,

respectively. Investment income was \$25,980 and \$12,404 for 1988 and 1987, respectively. 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.

NOTE 3 — GRANTS RECEIVABLE AND DEFERRED REVENUE

Grants receivable and deferred revenue consisted of the following individual restricted grants or contracts at September 30, 1988 and 1987:

	1988		1987	
	Grants receivable	Deferred revenue	Grants receivable	Deferred revenue
Bureau of Indian Affairs	\$498,970	\$ 165,581	\$112,537	\$ 5,378
John D. and Catherine T. MacArthur Foundation	340,000	482,984		
Northwest Indian Fisheries Commission	75,000	79,133		
Department of Health and Human Services — Administration for Native Americans	17,844		140,982	
John Ben Snow Memorial Trust	20,897			
Ford Foundation		913,578		328,238
Legal Services Corporation		25,299		39,797
Merck Family Fund		24,300		5,444
New-Land Foundation		11,353		
New World Foundation				9,318
The Fanny and Svante Knistrom Foundation		11,127		22,396
Other	4,500	3,347	3,501	3,348
	<u>\$957,211</u>	<u>\$1,716,702</u>	<u>\$257,020</u>	<u>\$413,919</u>

NATIVE AMERICAN RIGHTS FUND, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30,

	1988						1987	
	Program services			Support services			Total expenses	Total expenses
	Litigation and client services	National Indian Law Library	Total	Management and general	Fund raising	Total		
Salaries and wages:								
Professional staff	\$ 907,114	\$ 69,628	\$ 976,742	\$126,753	\$ 82,367	\$209,120	\$1,185,862	\$1,110,714
Support staff	239,876	59,499	299,375	104,907	61,769	166,676	466,051	367,679
Fringe benefits	146,701	27,151	173,852	29,935	24,871	54,806	228,658	261,135
Total salaries and related costs	1,293,691	156,278	1,449,969	261,595	169,007	430,602	1,880,571	1,739,528
Contract fees and consultants	689,235	4,966	694,201	34,159	57,098	91,257	785,458	647,236
Travel	252,795	2,019	254,814	52,053	18,247	70,300	325,114	272,415
Space costs	98,909	10,605	109,514	13,670	9,016	22,686	132,200	113,317
Office expenses	421,150	27,631	448,781	42,076	251,013	293,089	741,870	759,180
Equipment maintenance and rental	30,497	35,897	66,394	5,342	2,561	7,903	74,297	67,206
Litigation costs	10,410		10,410				10,410	39,683
Library costs	40,000	1,524	41,524	(1,118)	1,092	(26)	41,498	40,325
Expenses before depreciation and bad debts	2,836,687	238,920	3,075,607	407,777	508,034	915,811	3,991,418	3,678,890
Loss on disposal of property and equipment	862	4	866	123	80	203	1,069	4,251
Depreciation	69,049	300	69,349	9,889	6,387	16,276	85,625	70,179
Bad debt expense	109,257		109,257				109,257	2,802
Total expenses	\$3,015,855	\$239,224	\$3,255,079	\$417,789	\$514,501	\$932,290	\$4,187,369	\$3,756,122

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

NOTE 4 — MORTGAGE AND NOTES PAYABLE

Mortgage and notes payable consisted of the following:

	September 30,	
	1988	1987
Line of credit due in February 1989. Interest at prime plus 1% (10%) payable monthly. Secured by land and building.	\$ 25,000	\$ —
Mortgage payable in equal monthly installments of \$825, including interest at 12%, through March 1991. Secured by land and building.	72,462	73,601
Promissory note payable in 60 monthly installments, including interest at 10.2%, through January 1989. Secured by certificate of deposit.	7,805	29,253
Promissory note payable in 58 monthly installments of \$220 principal, plus accrued interest at 11%, with one final payment of principal of \$13,420 plus accrued interest to date; due April 1992.	23,100	25,740
Other	—	693
	128,367	129,287
Less: current portion	(36,728)	(29,933)
	\$ 91,639	\$ 99,354

Annual maturity requirements on the mortgage and note payable are as follows (fiscal years): 1989—\$36,728; 1990—\$4,086; 1991—\$4,269; 1992—\$17,015; 1993—\$2,069; and beyond—\$64,200.

NOTE 5 — COMMITMENTS

NARF leases equipment under operating leases. Annual future minimum rental payments under operating leases are as follows (fiscal years): 1989—\$25,725; 1990—\$3,924; 1991—\$1,688. Rental expense was \$34,607 and \$28,994 for 1988 and 1987, respectively.

NOTE 6 — RESTRICTED REVENUE AND PROGRAM EXPENSES

Restricted grant revenues for the years ended September 30, 1988 and 1987 are as follows:

	1988	1987
Department of Health and Human Services — Administration for Native Americans	\$1,061,839	\$ 757,215
Bureau of Indian Affairs	543,296	304,282
Ford Foundation	414,660	567,437
Legal Services Corporation	288,067	208,184
Rockefeller Foundation	101,050	99,172
The Edna McConnell Clark Foundation	35,000	35,175
Others	231,081	158,212
	\$2,674,993	\$2,129,677

Total program expenses for the year ended September 30, 1987 included \$1,627,520 in restricted program expenses.



The Native American Rights Fund would like to acknowledge the generous support given by the following contributors during the 1988 fiscal year.

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Gaylord and Dorothy Donnelly
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"Top Three"

(Our special thanks to these people who supported NARF very generously in 1988. Listed largest first.)

Ruth S. Thompson
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Thank you to the thousands of federal
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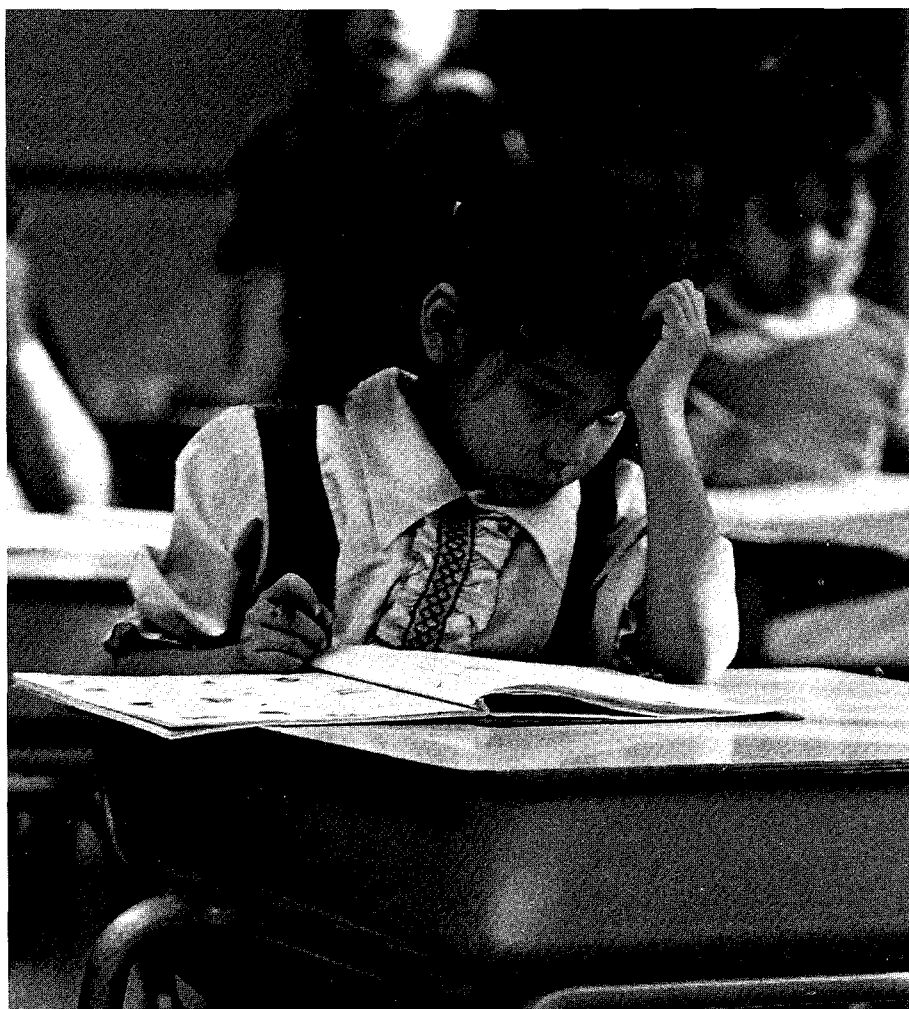
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“The central (Indian) issues have not changed much since the times of Francisco de Victoria, George Washington, Seneca, Andrew Jackson, John Marshall, Samuel Worchester, or Lone Wolf. Congress, the courts, the tribes, and the states still wrestle with questions relating to the nature of Indian property rights; the rights of individual Indians; and the powers of federal, tribal and state governments in Indian country. And it is a process that will continue.”

Handbook of Federal Indian Law (1982 Edition)

NATIVE AMERICAN RIGHTS FUND

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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The backcover picture is a portrait of the eruption of Kilauea volcano on the island of Hawaii. The volcano is the home of Pele, the Hawaiian goddess. NARF is helping a group of Native Hawaiians protect their religious beliefs and practices.

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