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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.
As the Native American Rights Fund enters its 25th year of “standing firm for justice,” NARF has successfully represented Indian tribes and individuals in nearly every state in the nation. The hundreds of cases it has been involved in have encompassed every area and issue in the field of Indian law. NARF’s reputation as a national Indian law advocate is backed by its 24 years of successful legal representation on behalf of Native Americans. A brief review of NARF’s origin will give a better understanding of NARF’s role in the struggle to protect Native rights in today’s society.

The Founding of Native American Rights Fund

In the 1960’s, the federal government and private philanthropists began to address the inability of underserved populations to access legal services. The federal government funded a network of legal services programs to serve a variety of populations, and it soon became apparent through the work of those programs that there were several population groups among those needing legal services which had unique needs.

Native Americans, whose lives have long been governed by the hundreds of treaties, thousands of federal statutes, and numerous regulations and administrative rulings which make up the specialized body of law known as Federal Indian law, were one such group whose needs demanded a specialized legal practice with a national purview.

The Native American Rights Fund was formed in California in 1970 to address the need for a central, national perspective in the practice of Federal Indian law. NARF, then a pilot project, was assisted in its work by the legal academic community and California Indian Legal Services. Funding was provided by the Ford Foundation.

The need for NARF’s services was quickly established, and in 1971, NARF moved its growing staff to Boulder, Colorado, a location more central to Indian country. Since the beginning, the national scope of legal work undertaken by NARF as a non-profit 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 more crucial now than ever before. 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: (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.
The Native American Rights Fund continued to provide legal advice and representation to Indian tribes, organizations and individuals on issues of major national significance in fiscal year 1994 and this assistance once again resulted in several significant legal victories for Native Americans.

The Cheyenne-Arapaho Tribal Supreme Court upheld the authority of the Cheyenne-Arapaho Tribe of Oklahoma to tax oil and gas activities on lands held in trust by the federal government for individual tribal members within the Tribe's boundaries. NARF is defending the Tribe's sovereign right to tax against challenges by several oil companies subject to the tax. The oil companies are seeking review of the Tribal Supreme Court decision in federal court.

In A-1 Contractors v. The Honorable William Strate, NARF obtained a favorable federal appeals court decision upholding the civil jurisdiction of tribal courts on tribal lands even in a personal injury case involving two non-Indians. The court held that the race or political status of the parties did not affect the civil jurisdiction of the tribal court of the Three Affiliated Tribes of the Fort Berthold Reservation in North Dakota on Indian lands. A rehearing of the decision is underway.

NARF was successful in obtaining a resolution from the United States Senate referring the Potawatomi Nation of Canada's claim for compensation for outstanding treaty entitlements to the Court of Federal Claims. For over 100 years, the Canadian Potawatomi have unsuccessfully sought compensation promised by the United States in treaties ceding tribal lands from 1795 through 1846.

In an important subsistence fishing rights case, the Alaska federal district court ruled in Katie John v. United States that Alaska Natives have subsistence fishing rights in all navigable waters in Alaska. The court held also that the federal government, not the State of Alaska, has jurisdiction to manage the subsistence fishing in navigable waters. NARF represents two Athabascan elders, the Mentasta Village Council and the Alaska Federation of Natives in the case, which has been appealed.

As a leading member of the American Indian Religious Freedom Coalition and counsel to the Native American Church of North America, NARF played a key role in the passage of Congressional legislation that exempts the religious use of peyote by Indians in bona fide traditional ceremonies from controlled substance laws of the federal and state governments. This act of Congress in effect overturns the 1990 Supreme Court decision in Employment Division v. Smith, which denied the protection of the free exercise of religion clause of the First Amendment of the Constitution to the sacramental use of peyote by Indians.

NARF represents the Pawnee Tribe in its case against the Nebraska State Historical Society and through settlement repatriated the remains and burial good of over 400 deceased Pawnees to the Tribe for reburial in accordance with their religious traditions. The Historical Society had sought to block the Tribe's access to Historical Society's records to prove their claim by avoiding compliance with the state public records law.

NARF also successfully challenged regulations proposed by the Secretary of Education that would have allowed the states to review the 29 tribally-controlled Indian community colleges for eligibility for a student financial aid program. As a result of negotiations on behalf of the American Indian Higher Education Consortium, the Department of Education agreed that the Indian colleges could not be subjected to state jurisdiction for this review and are arranging for federal or tribal governmental review.

These and many other important case developments in fiscal year 1994 show that Native Americans can receive justice if given the opportunity to be represented by counsel through NARF. 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 have otherwise gone unrepresented. We thank all of you who have supported our work and hope you will continue your support as we approach the 25th anniversary of our founding.

John E. Echowawk
Executive Director
In 1995, the Native American Rights Fund is entering its 25th year of service to Native people throughout this nation. During these years, NARF has achieved successes and precedent-setting victories that few thought were possible. NARF has fought for the rights of Native people in every conceivable forum — federal, state and tribal courts, the halls of Congress, state legislatures, corporate meeting rooms, city halls, and tribal council chambers; and they have fought against every conceivable adversary — the U.S. government, state governments, city governments, corporations and other adversaries seeking to deny or limit the rights of Native Americans or intending to challenge tribal sovereignty.

As a member of the Confederated Salish & Kootenai Tribes of the Flathead Reservation and an attorney for the Tribes, I have witnessed NARF’s dedication and determination first hand. Some years back, for example, the Salish/Kootenai Tribe and NARF diligently worked together for nearly a decade to halt the construction of a dam and hydroelectric project at Kootenai Falls in northwest Montana. Kootenai Falls has served as a sacred vision questing site and center of the Kootenai religion since the beginning of time, and the Kootenai people felt a sacred obligation to maintain the spirituality of Kootenai Falls for future generations in order to preserve the integrity of tribal existence.

Together with NARF, they were victorious in the struggle to protect Kootenai Falls and the ways of the Kootenai people. Again, this is but one example of NARF’s commitment to standing side by side with tribes as their attorneys, their advisors and, more importantly, their students, in tackling those issues which have been barriers to ongoing tribal existence and future progress.

Several Indian tribes, once thought lost to the annals of history books, have now regained federal recognition and status which could never have been realized without the long-term support and perseverance of NARF. These newly-emerging tribal sovereigns can now prepare to move forward into the 21st century as viable governmental entities. Indian tribes nationwide have come to depend on NARF to provide the consistency and continuity which is so necessary in resolving key issues for all of Indian country. It doesn’t matter whether the job takes one year or 20 years, NARF has persisted in seeing each of these controversies through to its conclusion.

It has been my pleasure to work with NARF since its inception and to watch it grow and change throughout these many years. Indian country can be assured that NARF will continue to “Stand Firm for Justice” on behalf of Indian people. As Chairperson for the NARF Board of Directors, I congratulate NARF for its first 25 years of commitment, and with the generosity of tribes and individuals, NARF will be there for another 25 years and more.

Evelyn Stevenson
Chairperson
In the formation of the Native American Rights Fund, a governing board was assembled composed of Indian leaders from across the country — wise and distinguished people who were respected by Indians nationwide. Since that time, the NARF Board of Directors has continued to provide NARF with leadership and credibility and the vision of its members has been essential to NARF's effectiveness in representing its Native American clients.

Evelyn Stevenson (Salish-Kootenai) Montana - Chairperson
Willie Kasayulie (Yupik) Alaska - Vice Chairperson
Gilbert Blue (Catawba) South Carolina - Not pictured
Lionel Bordeaux (Rosebud Sioux) South Dakota - Not pictured
Mildred Cleghorn (Fort Sill Apache) Oklahoma
Cliv Dore (Passamaquoddy) Maine
Theresa A. Gomez (Isleta Pueblo) New Mexico - Not pictured
Kathryn Harrison (Confederated Tribes of Grand Ronde) Oregon
Rick Hill (Oneida) Wisconsin
Twila Martin Kekahbah (Turtle Mountain Chippewa) North Dakota
John R. Lewis (Mojave/Pima/Tohono O’odham) Arizona
Will Mayo (Native Village of Tanana) Alaska
Rev. Kaleo Patterson (Native Hawaiian) Hawaii

Photographs: Thorney Lieberman
The National Support Committee was established in 1978 to assist NARF with 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 40 volunteers on the Committee are committed to upholding the rights of Native Americans.

Owanah Anderson (Choctaw)
Edward Asner
Katrina McCormick Barnes
David Brubeck
U.S. Senator Ben Nighthorse Campbell (Northern Cheyenne)
Harvey A. Dennenberg
Michael Dorris (Modoc)
Michael Driver
Richard Dysart
Louise Erdrich (Turtle Mountain Chippewa)
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Alvin M. Josephy, Jr.
Charles R. Klewin
Nancy A. Klewin
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Billy Mills (Oglala Sioux)
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Anthony L. Strong (Tlingit-Klukwan)
Maria Tallchief (Osage)
Andrew Teller (Isleta Pueblo)
Verna Teller (Isleta Pueblo)
Studs Terkel
Ruth Thompson
Tenaya Torres (Chiricahua Apache)
Thomas N. Tureen
The Rt. Rev. William C. Wantland (Seminole)
Dennis Weaver
W. Richard West, Jr. (Cheyenne)

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* Resigned during the fiscal year
The most critical issue facing Indian tribes today is the preservation of their existence as governmental entities with all the power and authority that such 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. NARF also continues its work 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**

Because they are sovereign, self-governing bodies, tribes possess the power to regulate the internal affairs of their members as well as the activities within their reservations. Conflicts often arise with states, the federal government, and others over tribal sovereignty. During 1994, NARF handled several major cases that affected the sovereign powers of tribes. These cases involved serious issues of taxation and jurisdiction in several states.

In *Mustang Fuel Corp. v. Cheyenne-Arapaho Tax Commission*, NARF is defending the Tribe’s right to generate needed tribal government revenues by taxing production and severance of oil and gas on allotted lands held in trust for tribal members. Several affected oil companies filed a lawsuit challenging the Tribe’s right to tax them. The oil companies filed suit in an Oklahoma federal court, but then agreed that federal law required them to bring the action first in tribal court. The case was remanded to tribal court, making it the first major tribal tax case to be heard by a tribal court. The Cheyenne-Arapaho Tribal Court ruled in favor of the Tribe, upholding the Tribe’s authority to tax oil- and gas activities on trust allotments. The oil companies appealed to the Tribal Supreme Court. In December, 1993, the Tribal Supreme Court upheld the tax and the oil companies have now appealed to federal court. The United States government has responded favorably to the Tribes’ requests to participate in the case in support of the Tribes’ right to tax.

NARF continued representing the Kluti Kaah Native Village of Copper Center, a traditional tribe, in its effort to collect tribal taxes from several oil companies. In *Alyeska Pipeline Service Co. v. Kluti Kaah Native Village of Copper Center*, the oil companies sued to enjoin the Village from enforcing its tax ordinance, claiming that Kluti Kaah was not a federally-recognized tribe and, thus, lacked taxing authority. The federal district court in Alaska previously held that the Village may well have tribal status with sovereign tribal authority to tax the Trans-Alaska Pipeline System which runs through Alaska Native lands and called for a trial on those issues. A trial was held in January, 1994, to determine if Native corporation lands traversed by the Trans-Alaska Pipeline is Indian country and thus subject to a tribal tax. A ruling by the court is pending.

NARF represents the Native Village of Venetie in *State of Alaska v. Native Village of Venetie*. This case involves the Tribe’s authority to impose a tax
on a non-member who engages in business activity within the Village. The Ninth Circuit Court of Appeals previously ruled that the validity of the tax depends on whether the Village is an Indian tribe as defined under federal law and whether the Village is a "dependent Indian community" and thus Indian country. A trial was held on both issues in the federal district court in November, 1993, and a ruling is pending.

In A-1 Contractors v. The Honorable William Strate, the Tribal Court for the Three Affiliated Tribes of the Fort Berthold Reservation in North Dakota found that it had jurisdiction over a personal injury action arising between two non-Indians on the reservation. One of the non-Indians challenged the Tribal Court decision in federal court. NARF undertook representation of the Tribal Court in the federal proceedings. The federal district court upheld NARF's position that the Tribe had jurisdiction, holding that tribes have jurisdiction over civil cases arising on Indian land regardless of the race or political status of the parties. A-1 Contractors appealed to the Eighth Circuit Court of Appeals and in November, 1994, the Eighth Circuit issued an opinion affirming the civil jurisdiction of the Tribal Court of the Three Affiliated Tribes.

In Nevada v. Hicks, NARF represents the Fallon Paiute-Shoshone Tribes in a federal court case where their tribal court has been sued after the tribal court of appeals found tribal jurisdiction over a civil case arising on the reservation. The complaint was filed in tribal court by a tribal member against the State of Nevada and state officials. This case provides a precedent setting legal issue that may very well impact all tribes.

NARF filed an amicus curiae brief in Department of Taxation and Finance of the State of New York v. Milhelm Attea & Bross, Inc. on behalf of thirteen tribes and the National Congress of American Indians in support of NARF’s Indian Economic Development Law Project.

The emphasis of NARF’s Indian Economic Development Law Project has continued to be on achieving increased control by tribal governments over their communities and their destinies. One avenue to achieving control is through the development of tribal government agencies. This requires the development of tribal governmental infrastructures necessary to implement and administer tribal entities such as courts and regulatory agencies. NARF recognizes that independent sources of revenue from which to fund locally derived priorities — i.e. a tribal tax base, and greater capacity to manage and foster the integrity of tribal homelands as they affect the health and the environment of Indian country residents — is necessary to the task.

In working toward this goal, the Project has continued to serve on the National Indian Policy Center (NIPC) Task Forces for Natural Resources, the Environment, the Law, and Administration for Justice. The Project has been assisting the NIPC with the review and prioritization of proposals for a research paper on tribal courts and tribal taxation.

The Project continues to operate from the perspective that environmental and economic development issues are integrally related in Indian country. This perspective takes into account that reservations are permanent home-lands for tribes and that any
planned development which affects the land, resources or the people, must take into account their impact for several generations to come; and, that environmental issues are themselves serious economic development opportunities that must be carefully studied and assessed. Based on these propositions the Project has been fully involved with the Environmental Protection Agency's (EPA) Tribal Operations Committee in efforts to establish a national office within EPA and to insure adequate funding for tribal environmental programs.

The Project has continued its work in the development of an Economic Self-Sufficiency Plan for the Klamath Tribe of Oregon. This work includes assisting the Klamath Tribe with the return of ancestral forest lands taken from them during the termination era. The Project is also working with the Turtle Mountain Chippewas of North Dakota to recodify the Tribe's laws. Help is also being provided to the Winnebago Tribe of Nebraska in finalizing an agreement between the Tribe and a gas company, and in formalizing a lease payment to the Tribe.

**Federal Recognition and Restoration**

NARF currently represents six Indian communities who have survived intact as identifiable Indian tribes but who are not federally recognized. These Indian tribes, for differing reasons, do not have a government-to-government relationship between themselves and the federal government. Traditionally, federal recognition was accorded to a tribe through treaty, land set aside for a tribe, or by legislative means. The majority of these NARF clients are seeking an administrative determination by the Department of Interior that they, in fact, have continued to exist as Indian tribes from the time of significant white contact to the present day and have continued to govern themselves and their members. NARF, therefore, prepares the necessary historical, legal, and anthropological documentation to support a petition for acknowledgment.

For more than 100 years, these Indian communities have been foreclosed from the benefits of a formal federal relationship with the federal government. Through administrative acknowledgment, NARF is now trying to bridge that gap. NARF is assisting the Little Shell Tribe of Chippewa Indians of Montana, the Mashpee Wampanoag Tribe of Massachusetts, the Houma Tribe of Louisiana, the Shinnecock Tribe of New York, and the Pamunkey Tribe of Virginia in the federal acknowledgment process.

In *Miami Nation of Indians v. Babbitt*, NARF is challenging the Department of Interior’s denial of the Miami Nation’s petition for federal recognition. An Indiana federal district court rejected the Tribe’s claim that they were recognized by an 1854 treaty and have never been terminated. The court is currently considering other Miami claims that the Interior Department erroneously rejected their petition by misapplying criteria that must be met for recognition.

NARF continues to work with Congress on behalf of its federal recognition clients to reform the present acknowledgment process of the Department of the Interior through legislation. Targets of reform include overcoming the increasing problems of bureaucratic delays, unequal treatment in evaluation of petitions, lack of an independent appellate process, and non-standardized criteria. Without Congressional attention to these issues, NARF predicts that its clients will be waiting for federal acknowledgment well into the 21st century. H.R. 4462, a bill to establish an independent Commission on Indian Recognition to be appointed by the President, thereby taking administrative acknowledgment decisions out of the hands of the Bureau of Indian Affairs, was passed by the House but failed to get through the Senate during the 103rd Congress. At the same time, the Department of Interior published final rules for federal recognition in March, 1994. NARF believes that these new rules will be more favorable to recognition clients than the previous rules.
The protection of tribal natural resources is closely linked to the preservation of tribal existence. Without a sufficient natural resource base to sustain it, the practice of tribal sovereignty is difficult. NARF helps Indian people to establish and maintain ownership and control of land and to assert their rights to water and hunting and fishing.

Protection of Indian Lands

With the settlement of both the Catawba Indian Tribe v. South Carolina and Catawba Indian Tribe v. United States cases, NARF is now assisting the Catawba Tribe in implementing the Catawba Indian Land Claim Settlement Act of 1993. The settlement provides for payment to the Tribe of $50 million over a 5-year period from federal, state, and local governments and private contributors and restores tribal status which had been terminated by the federal government in 1959. The settlement funds will be placed in tribal trust funds dedicated to land acquisition, economic development, education, social services, elderly assistance, and annual per capita distribution. The settlement also effectuates a comprehensive jurisdictional compact between the Tribe and the State and calls for additional in-kind contributions from the State and local governments.

NARF has represented the Alabama-Coushatta Tribe of Texas since 1981 in its lawsuit against the United States for breach of trust. In Alabama-Coushatta v. United States, the Tribe is suing the United States for its failure to protect the Tribe’s possession of its 6.5 million acres of aboriginal territory. The Tribe is pursuing a money-damages claim against the United States under a 1983 Congressional Reference resolution that permits the Tribe to bring its claim before the United States Court of Federal Claims under the Indian Claims Commission Act. In 1993, the Court ruled that the Tribe had established aboriginal title to some undetermined portion of the claim area by 1830, but refused to reconsider their previous 1987 ruling that the United States was not liable because the Tribe’s aboriginal title had been extinguished by prior sovereigns. NARF’s appeal of this ruling is pending.

In Cheyenne-Arapaho Tribe v. United States, NARF was successful before the Tenth Circuit Court of Appeals in establishing that the Bureau of Indian Affairs illegally extended the term of three tribal oil-and-gas leases in Oklahoma at below market value rates without tribal consent. The Tribe wants the right to negotiate its own leases at fair, competitive rates. The Court’s decision affirmed the federal government’s fiduciary duty to manage Indian trust lands prudently and recognized the Tribe’s role in securing competitive prices for its resources. The case is currently pending in federal district court and the Court of Federal Claims on the issue of the amount of damages owed to the Tribe.

NARF represents the San Juan Southern Paiute Tribe of Arizona in the consolidated cases of Masayesva v. Zah v. James and Navajo Tribe v. U.S. v. San Juan Southern Paiute Tribe. The federal district court affirmed the federal government’s recognition of the Paiute’s status as an Indian tribe and held that NARF had established 75 acres for the Paiute’s exclusive use, and that it had shown joint use with the Navajo Tribe of approximately 48,000 acres of disputed land in northern Arizona. NARF has filed a notice of appeal to the Ninth Circuit for the Tribe on their land claim. In the meantime, several negotiating sessions with the Ninth Circuit Court of Appeals Mediator and the Navajo Tribe were held in fiscal year 1994 and an agreement in principle to settle the case was reached which would provide a reservation for the Paiutes. NARF and the Tribe will continue to work out the details of the agreement.

NARF assisted the Potawatomi Nation in Canada in obtaining a forum in the United States for consideration of the merits of the Tribe’s claim for compensation for outstanding treaty entitlements. For the past 100 years, the Tribe has been trying unsuccessfully to obtain the compensation it believes is due to it under 12 treaties concluded between the Potawatomi and the United States between 1795 and 1846. These treaties provided for annuities and compensation for cessions of land. NARF was successful in obtaining a congressional reference resolution for the Pottawatomi as the resolution was
passed by the United States Senate in October, 1994. NARF will now prepare for the litigation of the Pottawatomi treaty claim in the United States Court of Federal Claims.

NARF is assisting the White Earth Band of Chippewa Indians in Minnesota in their attempt to secure Congressional legislation that would transfer to the Band 24,200 acres of National Federal Wetlands and 21,480 acres of land within the Tamarac National Wildlife Refuge, all of which are lands that are held by the United States and are located within the boundaries of the Band’s reservation.

In other matters, the Stockbridge-Munsee Tribe of Wisconsin is represented by NARF in their claim to former tribal lands in New York State. NARF has assisted the Pamunkey Tribe of Virginia to establish the boundaries of its reservation. The Penobscot Indian Nation of Maine was advised by NARF relative to the Tribe’s involvement in a number of Federal Energy Regulatory Commission relicensing proceedings in the Penobscot River basin.

**Water Rights**

Under the precedent established by the United States Supreme Court in 1908 in the case of *Winters v. United States* and confirmed in 1963 in *Arizona v. California*, Indian tribes are entitled under federal law to sufficient water for present and future needs, with a priority date at least as early as the establishment of their reservations. These tribal reserved water rights are superior to all state-recognized water rights created after the tribal priority date, which in most cases will give tribes valuable senior water rights in the water-short West. Unfortunately, most tribes have not utilized their reserved water rights and most of these rights are unadjudicated or unquantified. As a result, tribal water claims constitute the major remaining water allocation issue in the West, with approximately 50 lawsuits pending in the western states involving these claims. The major need in each case is to define or quantify the exact amount of water to which each tribe is entitled. NARF pursues these claims on behalf of tribes through litigation or out-of-court settlement negotiations.

NARF is asserting the Chippewa-Cree Tribe’s rights to water flowing on and through its reservation in Montana. The Tribe, the Montana Reserved Water Rights Compact Commission, and the federal government continued formal negotiations to settle the Tribe’s reserved water rights. The Tribe has submitted a third revised settlement proposal to address water allocation issues on the Big Sandy, Box Elder and Beaver Creek drainages. The revised proposal calls for the construction of a domestic water pipeline from an off-reservation federal reservoir to the reservation. The Tribe is also proposing that the State convey a ten-year option to purchase state lands which are contiguous to tribal land.

In *United States and Klamath Tribe v. Oregon*, the Klamath Tribe, upon the threat that it will forever waive its water rights, is being forced by the State of Oregon to quantify its reserved water rights in order to protect its treaty hunting and fishing rights. Protection of this irreplaceable natural resource is crucial to the cultural survival of the Tribe. NARF continues to assist the Klamath Tribe in obtaining and reviewing the hydrological, biological, and other studies necessary to quantify the Tribe’s reserved water rights. NARF also represents the Tribe in an ongoing court battle to determine whether state or federal courts have jurisdiction over this important issue, which is pending in the Ninth Circuit Court of Appeals.

This complex case, which affects the environmental integrity of thousands of miles of habitat living on the banks of the Upper Klamath River Basin, has involved close coordination with officials from the United States Departments of Interior and Justice, who, as trustee, are asserting water rights claims on behalf of the Tribe.

NARF is assisting the Tule River Tribe of California in validating their claim to surface and ground water. The Tribe’s water rights have never been adjudicated and its domestic water system, which serves 650 tribal members residing on the reservation, is inadequate to meet the Tribe’s
basic domestic needs. The Tribe’s water rights are uncertain due to a 1922 agreement between the Secretary of the Interior and a non-Indian irrigation company, which purportedly limited the Tribe’s right to divert water from the South Fork Tule River. NARF is currently assisting the Tribe in establishing a Tribal Water Rights Office, which is an essential component for presenting and settling the Tribe’s water rights claim. NARF finalized a conceptual water development plan for the Tule River Reservation that would maintain a water delivery storage system to provide enough water to the Tribe to develop a sustainable homeland.

NARF is also assisting the Nez Perce Tribe of Idaho to secure reserved water rights in the Snake River Basin. The United States and the Tribe filed water rights claims in state court in 1993 hoping to secure sufficient water for instream flows to protect tribal fisheries and for domestic and irrigation uses. The Tribe, the federal government and the State are now involved in negotiations.

NARF continued implementing the Fort McDowell Indian Community Water Rights Settlement Act of 1990 by finalizing the necessary agreements and drafting of leases of Central Arizona Project water received by the Tribe under the settlement.

In September, 1994, NARF successfully co-sponsored a conference on Indian water law with Stanford University Law School. Also, in May, NARF participated in an Indian water rights conference for the Acoma Pueblo, the Laguna Pueblo and Canoncito Navajo. These conferences have grown out of interest among Indians and non-Indians in resolving Indian water rights issues through out-of-court settlements.

Hunting and Fishing

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

In Katie John v. United States, two Athabascan elders and long-time NARF clients, who were denied their right to subsistence fishing by the State of Alaska and the United States, achieved a major victory in the federal district court for Alaska. The elders were joined in the case by the Mentasta Village Council and the Alaska Federation of Natives, also represented by NARF, in the argument that the federal government has the obligation to provide subsistence fishing rights in all navigable waters in Alaska. NARF filed a motion in state court seeking to enjoin the Commissioner of Fish and Game and compel him to take steps to minimize the harvest of chum salmon. The court declined the motion and referred the decision of the final chum cap to the Governor of Alaska for resolution. The Governor chose a cap of 350,000. Cross-petitions for review were then filed with the Alaska Supreme Court and the Court set aside the order referring the matter
to the Governor which resulted in the cap being raised to 700,000 for the 1994 season.

In the case *Nome Eskimo Community v. Babbitt*, NARF is assisting Nome Eskimo Community in asserting its rights and authority to manage its historic and traditional subsistence fishery. The Tribe has claimed aboriginal title in the Outer Continental Shelf beyond the State’s three mile limit. This case is currently pending before the United States Ninth Circuit Court of Appeals where NARF has filed its opening brief. The results of this case will have a direct impact on other cases, such as the eleven Native villages in the Norton Sound area of Alaska who are seeking the establishment of their aboriginal right to hunt and fish on the Outer Continental Shelf in *Gambell v. Babbitt*.

In *Kluti Kaah Native Village of Copper Center v. Rosier*, NARF is assisting the Village in changing state and federal regulations governing the subsistence harvests of caribou and moose in the Copper River Basin. NARF argues that the Board of Game violated the state subsistence law by failing to provide an adequate hunting season to obtain moose for subsistence uses, and seeks to establish that the subsistence priority include consideration of customary and traditional uses of a resource.

NARF assisted the Skokomish Tribe in the State of Washington to intervene in the City of Tacoma’s proceeding for the relicensing by the Federal Energy Regulatory Commission of the Cushman Dams on the Skokomish River. The Skokomish Tribe holds treaty reserved fishing rights in the Skokomish River. The Cushman Dams, built in 1926 and 1930, have effectively eliminated all salmon habitat for about 17.5 miles above and below the dams. The Tribe seeks compensation for damage done and mitigation measures to restore the Tribe’s fishery. The Tribe has initiated negotiations with the City of Tacoma through use of preliminary data which shows that the dams can be operated to put water back into the river and still produce hydropower for the City of Tacoma at a profit.

NARF assisted the a Chiefs Conference, Inc.

**upper left**

Peter John of Minto, AK, Traditional Chief of the tribes of the Tanana Chiefs Conference

**lower left**

Peter John, right, of Minto, AK - Traditional Chief for Tanana Chiefs Conference Region tribes. David Salmon, left, of Chalkyitsik, AK - Second Traditional Chief for all TCC-region tribes.

**middle right**

Will Mayo, president of Tanana Chiefs Conference, Alaska Federation of Natives Convention.

**lower right**

Lincoln Bergman of Allakaket, AK hangs fish to dry.

Photographs: Tom Thompson
In 1994, NARF provided assistance in several matters involving religious freedom and education. NARF, on behalf of its clients, seeks to enforce and strengthen laws which are designed for the unique needs and problems of Native Americans in this area.

**Religious Freedom**

Most Americans take freedom of worship for granted, as a pillar upon which our nation was founded. Religious freedom has always been given a preferred place in American concepts of individual liberty. However, there has been a long history of government suppression of traditional religions practiced by American Indians that is unprecedented for any other religion in our nation. The suppression of traditional Indian religions began in 1492 and has continued to the present, ranging from the government’s outright prohibition of Indian religious practices in the late 19th and 20th centuries to current government developments which threaten to destroy sacred sites.

In 1978, Congress enacted the American Indian Religious Freedom Act (AIRFA) in an effort to create a “policy” that reversed this deplorable treatment. Since the enactment of AIRFA, many people have expressed the sentiment (or fear) that it lacked any “teeth” for enforcement. While it was the intention of Congress to have traditional religious practices protected, federal land management agencies have ignored AIRFA altogether when making decisions that impacted American Indian religious sites.

Since then, two United States Supreme Court decisions attested to the ineffectiveness of AIRFA. In 1988, the United States Supreme Court ruled that construction of a logging road through an area held sacred by the Karok, Tolowa and Yurok peoples of California, would not violate the First Amendment rights of these American Indians whose spiritual lives are inextricably linked to that area (Lyng v. Northwest Indian Cemetery Protection Association). In effect, the Court found that the public interest, that is, six miles of paved roads and the timber cutting it would facilitate, holds greater weight and warrants greater protection than the religious lives of peoples who have for hundreds of years used this sacred mountain area for the ceremonies which they believe renew the world. Two years later, the United States Supreme Court found that the possession and sacramental use of peyote by members of the Native American Church, an Indian religion of pre-Columbian antiquity, was likewise not necessarily protected by the First Amendment’s free exercise clause (Employment Division, Department of Human Resources of Oregon v. Smith). Similarly, the United States Supreme Court restricted the free exercise clause as it applies to prisoners, leaving prisoners’ religious rights to the discretion of prison officials (O’Lone v. Estate of Shabazz).

Because religion is the foundation that holds Native communities and cultures together, religious freedom is a NARF priority issue that cuts across many of its priorities, such as tribal existence, sovereignty, and human rights. As a result, NARF has utilized its resources to protect First Amendment rights of Native American students, prisoners, members of the Native American Church, and tribal rights in repatriating burial remains, and protection of sacred sites. Since Native American religious freedom affects basic cultural survival of Indian tribes, NARF believes that American law and social policy must provide adequate legal protection.

To combat this injustice, NARF and other Native organizations formed the American Indian Religious Freedom Coalition (which is presently composed of over 100 Indian tribes, Native organizations, religious groups, environmental organizations and human rights groups) to develop and support federal legislation to overturn these Supreme Court cases and restore Native Americans to the protections of the First Amendment.

In representing the Native American Church of North America, NARF played a key role in the passage of legislation in 1994 that exempts the religious use of peyote by Indians in bona fide traditional ceremonies from controlled substance laws of the federal and state governments. It also prohibits discrimination against Indians for such religious use, including the denial of otherwise applicable benefits under public assistance programs. The religious freedom legislation was introduced by Congressman Bill Richardson (D-N.M.), and was
passed by unanimous vote and consent by both the House and Senate. On October 6, 1994, President Clinton signed the bill into law, Public Law 103-344. This bill closes the door to governmental prohibition of sacramental use of peyote and effectively reverses the *Smith* decision.

In 1993, Senator Daniel Inouye, Indian Affairs Committee Chairman, and other co-sponsors introduced the Native American Free Exercise of Religion Act of 1993 (S. 1021) aka “NAFERA”. In 1994, NAFERA was replaced with S. 2269, Native American Cultural Protection and Free Exercise of Religion Act of 1994. This replacement bill was introduced to reflect progress made pursuant to year-long negotiations among the Administration, the Senate Committee on Indian Affairs, and the American Indian Religious Freedom Coalition. S.2269 did not advance through the 103rd Congress and is now expected to be reintroduced in the 104th Congress.

NARF represents the Pawnee Tribe of Oklahoma in three separate repatriation cases as discussed below. The first case, *Nebraska State Historical Society v. Pawnee Tribe of Oklahoma v. State of Oklahoma*, was filed against the Tribe by the Nebraska State Historical Society in state court claiming that the Historical Society was not subject to the Nebraska Open Records law, as a tactic to avoid its repatriation duties under the Unmarked Human Burial Sites and Skeletal Remains Protection Act. The second case is a Pawnee repatriation claim against the Nebraska State Historical Society under the Native American Graves Protection and Repatriation Act (“NAGPRA”). The third case is a Pawnee repatriation claim against the Smithsonian Institution’s Natural History Museum under the National Museum of the American Indian Act.

A comprehensive settlement was reached in the two Nebraska cases. The Historical Society had sought to block the Tribe’s access to Historical Society records under the public records law. The Tribe sought the records to support additional tribal repatriation claims to Pawnee human remains and burial goods held illegally by the Historical Society. The Historical Society had appealed a state court decision that ordered them to provide the museum records to the Tribe. The case was pending before the Nebraska Supreme Court while settlement negotiations were conducted. As a result of these
negotiations, a comprehensive settlement was reached in January, 1994, whereby the litigation pending before the Nebraska Supreme Court was dismissed and legislation was enacted that recognized the Historical Society as a state agency, thus making the Society comply with the state public records law. The settlement also called for the repatriation of the remains and burial goods of 400-500 deceased Pawnees to the Pawnee Tribe for reburial in accordance with tribal religious traditions.

NARF is continuing to represent the Pawnee Tribe in its repatriation claim against the Smithsonian Institution. The Tribe has had a pending request for the return of over 30 remains from the Smithsonian since August 1988 without any response or effort to negotiate from the Smithsonian. Since this time, another 17 remains have been identified as being ancestral to the Pawnee Tribe. NARF has continued to submit evidence of claims to the Smithsonian on behalf of the Tribe which document the Tribe’s cultural affiliation to the remains in question.

NARF fought long and hard for the passage of the Native American Graves Protection and Repatriation Act of 1990. One of the key provisions of the Act was an authorization for federal appropriations to provide the necessary financial resources to tribes and museums to facilitate repatriation. In order to implement this provision, NARF continued to represent the Larsen Bay Community in Alaska in working with Congress to provide funding for tribes and museums. During 1994, Congress appropriated $2.3 million for repatriation grants to tribes and museums under the budget of the National Park Service. NARF will continue working towards increasing these appropriations.

In *Harjo v. Pro-Football*, various concerned Indian individuals and Indian organizations have filed a petition with the United States Patent and Trademark Office’s Trademark Trial and Appeal Board against the Washington Redskins football team seeking cancellation of the Redskins trademark on the ground that the use of the term is offensive and an inappropriate subject matter for the federal trademark register. NARF represents the National Congress of American Indians, a national organization of 160 Indian tribes, in this matter. In March, 1994, the Trademark Trial and Appeal Board ruled in favor of the Native American coalition and against the Washington Redskins organization striking the affirmative defenses asserted by the Washington football organization, paving the way for a decision on the merits.

**Education**

NARF has implemented an Indian Education Legal Support Project with its central theme of “tribalizing education.” The goal is to give tribes more control over their most precious resource, their children, and help them to improve Indian education and tribal societies. Rather than focusing on traditional civil rights work such as racial discrimination claims, NARF’s efforts are devoted to confirming the unique sovereign rights of Indian tribes based on principles of Indian law. To date these rights and principles have not been addressed adequately in the context of education.

Under the Project, NARF strives to strengthen tribal rights in education. This means helping tribes gain control of the formal education of their members, regardless of the government that primarily provides the education — federal, state, or tribal. As NARF continues to develop and successfully promote cutting-edge legal theories about tribal control of education, work continues in developing tribal education laws, such as education codes, policies, and...
plans, and developing tribal-state agreements and compacts as necessary to implement tribal laws; reforming federal and state education laws and policies; and litigation to enforce tribal rights in education.

NARF is continuing to represent the Rosebud Sioux Tribe of South Dakota in obtaining direct federal funding for their education department, exploring other means of maximizing federal education funding for tribes, developing language that would treat tribes as states for purposes of federal education laws, and working on amending the Impact Aid Laws of 1950 to strengthen tribal rights regarding Impact Aid funding. NARF is representing the Fort Peck Tribes (Assiniboine and Sioux) of Montana on developing their tribal education laws.

NARF is also representing the American Indian Higher Education Consortium (AIHEC) on changing regulations proposed by the Secretary of Education under the Higher Education Amendments of 1992 that had allowed states to review the 29 tribally-controlled Indian community colleges for Title IV student financial aid program eligibility. Through negotiation, the Department of Education agreed in July, 1994 that the Indian colleges cannot be subjected to state jurisdiction for this review and are arranging for federal or tribal review. NARF also assisted AIHEC in gaining Administration support for legislation that Congress passed in October, 1994 which gives “land grant” status to the Indian colleges, thus opening the door to new sources of funding and programs.

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.

NARF represents the Native Village of Noatak in Noatak v. Blatchford. This case involves a challenge to a state administrative decision that there are no federally recognized tribes in Alaska and that it is unconstitutional to revenue share with tribes to the exclusion on non-Native groups. The United States Supreme Court in 1991 held that the 11th Amendment barred the Tribe’s claim insofar as it sought past monetary damages, but remanded the case for a determination of whether any claims for prospective relief were pending. The district court ruled that the case was moot and that, alternatively, any other claims were barred by the State’s 11th Amendment immunity. The case is on appeal to the Ninth Circuit Court of Appeals.

In Kauley v. United States, NARF and Oklahoma Indian Legal Services represent individual Indian allottees in their effort to enforce the Federal Oil and Gas Royalty Management Act ("FOGRMA") of 1983. FOGMA expressly vests the Secretary of Interior with the responsibility of administering federal and Indian oil and gas resources leased to private developers. The allottees alleged that the federal government had been negligent in administering the Act, thereby squandering the oil and gas resources and royalties of Oklahoma allottees. The federal district court approved a settlement agreement in 1991 in favor of the individual Indian allottees. NARF continues to monitor the implementation of the agreement by the Department of the Interior Minerals Management Service (MMS). NARF is also a member of a federal working group charged with rewriting the MMS’ federal oil and gas valuation regulations for Indian leases and land.

NARF and the Native Hawaiian Legal Corporation are challenging the State of Hawaii’s exchange of ceded lands to a private landowner for the development of a geothermal facility on the Island of Hawaii. The State lands exchanged were ceded lands subject to a special trust under the 1959 Hawaii Admission Act for the benefit and use of Native Hawaiians. The case, Pele Defense Fund v. Estate of James Campbell, went to trial in August, 1994. It will establish precedent in determining Native Hawaiian hunting and gathering access rights on those former trust lands held by the State of Hawaii. Post trial briefing has now been completed and a decision is now pending.

NARF filed an amicus curiae brief in Malone v. Bureau of
Indian Affairs before the Ninth Circuit Court of Appeals. The brief was filed on behalf of the National Indian Education Association, the California Rural Indian Health Board, the California Urban Indian Health Council and the Tule River Tribe. The case involves efforts by the Bureau of Indian Affairs (BIA) to exclude California Indians who are on the California Judgment Fund Distribution Roll from eligibility for higher education grant benefits. This group had been eligible since the BIA first promulgated the eligibility criteria in 1957, but that eligibility has now been changed without proceeding through formal rulemaking under the Administrative Procedures Act. In October, 1994, the Ninth Circuit ruled that the BIA violated federal policy by not proceeding through formal Federal Register rulemaking with new eligibility criteria. The Court, however, did not rule whether the BIA had to write the new rules so as to include California Indians, or to reinstate benefits to plaintiffs before the new rules are declared, but strongly suggested that rules excluding these Indians would violate the “broad language of the Snyder Act.”

NARF also filed an amicus curiae brief in the Minnesota Supreme Court and the Minnesota Court of Appeals on an Indian Child Welfare Act case, Matter of S.E.G.. In a strong decision reversing the lower court of appeals and trial court, the Minnesota Supreme Court ruled favorably for the Indian tribes and Indian foster mother in this case which involved an effort by a non-Indian family to adopt three Indian children members of the Leech Lake Band of Chippewa Indians of Minnesota. The lower court’s ruling was held to be a violation of the Indian Child Welfare Act’s placement preference section.

The Turtle Mountain Band of Chippewa Indians, the Chippewa-Cree Tribes of the Rocky Boys Reservation, and the Little Shell Band of Chippewas, and other Pembina Indians, received damages awards in the Indian Claims Commission in 1964 and 1980. The Pembina Judgment Fund was partially distributed in 1988 and the undistributed portion is still held in trust by the federal government. The Tribes have compiled evidence and have filed a case in the United States Court of Federal Claims asserting that the federal government has mismanaged these funds by using improper investment practices. The Pembina litigation has been stayed to allow, by Congressional order, the Bureau of Indian Affairs to reconcile its trust fund accounts.

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

Since 1972 the Indian Law Support Center (ILSC) of the Native American Rights Fund has received funding from the Legal Services Corporation to serve as a national support center on Indian law and policy for the national Indian legal services community and other basic field programs serving Native American clients on Indian law related matters. Since its inception literally hundreds of requests for assistance in all areas of Indian law have been answered annually. Because of the unique and complex nature of Indian law and the geographic remoteness of Indian legal services programs, complicated by the difficulty of attracting and maintaining experienced staff, ILSC performs a vital and cost-effective support function to Indian programs.
and other legal services providers across the country. In 1994, ILSC provided assistance to the Indian legal services community through letters and telephone advice on Indian law problems, legal research, archival research, direct field consultation, review of draft pleadings, legal analysis of legislation, training events on Federal Indian law issues, locating expert witnesses and other consultants, and, co-counsel in litigation. In addition, ILSC works with the National Indian Law Library in providing Indian and field legal services programs legal and educational materials.


The ILSC Project Advisory Committee, the Center’s governing body, consists of the following members: Diane Avery, Esq. (Mandan/Hidatsa); Jeff Davis, Esq. (Turtle Mountain Chippewa); Eve Kennedy (Oneida), Vice-Chairperson; Katherine Lowley (Coeur D’Alene); Rose Mary Narcisse (Umatilla); Leo Sheppard, Sr. (Navajo), Chairperson; Thomas Shipp, Esq.; Allan Toledo, Esq. (Jemez Pueblo); Carey Vicenti, Esq. (Jicarilla Apache); and, Jeanette Wolfley, Esq. (Navajo/Shoshone-Bannock).

The National Indian Law Library

The National Indian Law Library (NILL) is the only law library specializing in legal practice materials which are essential for practitioners of Indian law. Thousands of legal pleadings and opinions from virtually every major Indian law case since the 1950’s exists within the NILL collection. These pleadings, the crux of NILL, are deeply appreciated by those familiar with traditional law library resources.

NILL houses the only comprehensive lending collection of past and present Tribal government documents. In the seven years since its inception, the Tribal Government Collection consisting of constitutions, codes, ordinances, resolutions, by-laws and charters has surpassed 750 documents. It provides an invaluable partnership network for those involved in the drafting, correcting and revising of Tribal government documents.

NILL actively collects Indian law related documents. These documents cover a spectrum which includes books, pamphlets, federal government and agencies documents, state government and agencies documents, law review articles, scholarly reports, journal articles, newspaper articles, student reports, and conference and seminar papers.

Access to the contents of the NILL collection is provided through a computerized database. Numerous access points are assigned each record entered in the database. In addition to the basic author, title and subject headings, other access points include the Tribe involved, the jurisdiction, the parties to the lawsuit, the judges, the attorneys, the citation, the docket number and the NILL subject headings.

The NILL collection has proven to be a unique resource for those working in the arena of federal Indian law. In addition it is invaluable for attorneys and legal advocates working in geographically isolated areas throughout Indian country. These NILL clients make ready use of the telephone, telefax and postal service to acquire legal reference assistance since many of them are without access to even the most basic law library materials.

Other Activities

In addition to its major projects, NARF staff continues to be actively involved in national Indian conferences and legal education projects. During the past fiscal year, NARF attorneys and staff served in formal or informal speaking and leadership capacities at numerous tribal, state, academic, and national Indian meetings such as the American Indian Resources Institute’s Tribal Leaders Forums, the National Congress of American Indians and the Federal Bar Association.

NARF remains firmly committed to continuing its effort to share the legal expertise which NARF possesses with these groups and individuals working in support of Indian rights and to foster the recognition of Indian rights in mainstream society.
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<td>E. Graham, F. Banis, &amp; D. Day</td>
<td></td>
</tr>
<tr>
<td>Helen &amp; Sidney Ungar</td>
<td></td>
</tr>
<tr>
<td>S.J. Ungar/J. Shapiro Family Fund</td>
<td></td>
</tr>
<tr>
<td>Fred Nason</td>
<td>Dolan Earle</td>
</tr>
<tr>
<td>John Hansen</td>
<td></td>
</tr>
<tr>
<td>Jeanne Whiteing</td>
<td></td>
</tr>
<tr>
<td>Thomas J. Malloy</td>
<td>Joseph J. Malloy</td>
</tr>
<tr>
<td>George Lopez III</td>
<td></td>
</tr>
<tr>
<td>Linda D. &amp; Ronald E. Zimmerman, Laura M. &amp; John A. Persell, Helen N. &amp; Alvin W. Warner, Mary &amp; E. &amp; Gerardo E. Gonzalez</td>
<td></td>
</tr>
<tr>
<td>George P. Hutchins</td>
<td>John Hutchins</td>
</tr>
</tbody>
</table>

HONORARY GIFTS (100+)

<table>
<thead>
<tr>
<th>Name</th>
<th>Donor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carol &amp; Lawrence Kinser</td>
<td>Samuel Kinser</td>
</tr>
<tr>
<td>American Native Indian Children</td>
<td>Joanne Lyman</td>
</tr>
<tr>
<td>Mrs. Henny Feibelman</td>
<td>Mrs. Martin Rapp</td>
</tr>
<tr>
<td>The Wistran Family</td>
<td>The Zarren Family</td>
</tr>
<tr>
<td>The Santos Family</td>
<td>The Zarren Family</td>
</tr>
<tr>
<td>The Motta Family</td>
<td>The Zarren Family</td>
</tr>
<tr>
<td>The Roberts Family</td>
<td>The Zarren Family</td>
</tr>
<tr>
<td>The Block Family</td>
<td>The Zarren Family</td>
</tr>
<tr>
<td>Geina Hubbard &amp; Richard Cobb</td>
<td>Marsha Traxler</td>
</tr>
<tr>
<td>Steven M. Kravetz</td>
<td>Darlene G. Kravetz</td>
</tr>
<tr>
<td>Kathleen Daily</td>
<td>Barbara Meislin</td>
</tr>
<tr>
<td>Teresa LaFromboise</td>
<td>Mr. &amp; Mrs. Wayne Rowe</td>
</tr>
<tr>
<td>Steve Yoder</td>
<td>Eileen Hostetler</td>
</tr>
<tr>
<td>Jon Charles Hare</td>
<td>Blanche &amp; Charles Hess</td>
</tr>
<tr>
<td>Laurel M. Cooper</td>
<td>Dr. Danielle C. Cooper</td>
</tr>
<tr>
<td>Ralph Townsend</td>
<td>A. T. Young</td>
</tr>
<tr>
<td>Karen &amp; Fred Gustafson</td>
<td>Harvey Honig</td>
</tr>
</tbody>
</table>

BEQUESTS

<table>
<thead>
<tr>
<th>Name</th>
<th>Donor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edith Capps</td>
<td></td>
</tr>
<tr>
<td>Harold Carlisle</td>
<td></td>
</tr>
<tr>
<td>Warren E. Compton Trust</td>
<td></td>
</tr>
<tr>
<td>Isabel Cerney</td>
<td></td>
</tr>
<tr>
<td>Alice Gray</td>
<td></td>
</tr>
<tr>
<td>Dorothy Hunt</td>
<td></td>
</tr>
<tr>
<td>Marion Lawson</td>
<td></td>
</tr>
<tr>
<td>Catherine O'Connor</td>
<td></td>
</tr>
<tr>
<td>Dorothy Rainsford Reilly</td>
<td></td>
</tr>
<tr>
<td>George Schiff</td>
<td></td>
</tr>
</tbody>
</table>

INKIND CONTRIBUTIONS

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yuklin Aluli</td>
<td>Kailua, HI</td>
</tr>
<tr>
<td>Christopher T. Aquilino</td>
<td>Washington, D.C.</td>
</tr>
<tr>
<td>Robert F. Bartle</td>
<td>Lincoln, NE</td>
</tr>
<tr>
<td>Benjamin Binder</td>
<td>Denver, CO</td>
</tr>
<tr>
<td>James Botsford</td>
<td>Wausau, WI</td>
</tr>
<tr>
<td>Emily Calhoun</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Don Coyhis</td>
<td>Colorado Springs, CO</td>
</tr>
<tr>
<td>DWI Associates</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Lucille Eichokaw</td>
<td>Boulder-Denver-Advisory Committee</td>
</tr>
<tr>
<td>Ken Edwards</td>
<td>Longmont, CO</td>
</tr>
<tr>
<td>Ann Estin</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Alice Fent</td>
<td>Silver Spring, MD</td>
</tr>
<tr>
<td>David Gatches</td>
<td>Boulder-Denver-Advisory Committee</td>
</tr>
<tr>
<td>Ava Hamilton</td>
<td>Boulder-Denver-Advisory Committee</td>
</tr>
<tr>
<td>Healey Wieland Law Firm</td>
<td>Lincoln, NE</td>
</tr>
<tr>
<td>Holland &amp; Hart</td>
<td>Denver, CO</td>
</tr>
<tr>
<td>Rance Hood</td>
<td>Denison, TX</td>
</tr>
<tr>
<td>John Huyler</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Mrs. Leroy Holubar</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Jamie Kahn</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Bob Lantaff</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Louis LaRose</td>
<td>Winchester, NE</td>
</tr>
<tr>
<td>Thorne &amp; Anne Lieberman</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Carolyna Smiley-Marquez</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Elizabeth McKee</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Sally Miens</td>
<td>CO</td>
</tr>
<tr>
<td>Robert S. Mist</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Montgomery House Frame</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Gifford &amp; Gallery</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Charles Norman</td>
<td>CRS, Inc., Lakewood, CO</td>
</tr>
<tr>
<td>Amado Pena, Jr.</td>
<td>Austin, TX</td>
</tr>
<tr>
<td>Eddie Running Wolf</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Ross O. Swimmer</td>
<td>Tulsa, OK</td>
</tr>
<tr>
<td>Robert S. Thompson</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Barton H. Thompson</td>
<td>Stanford, CA</td>
</tr>
<tr>
<td>John P. Tyrrell</td>
<td>New Jersey</td>
</tr>
<tr>
<td>Robert Urich</td>
<td>Potomac, MD</td>
</tr>
<tr>
<td>Dr. Deward Walker</td>
<td>Boulder, CO</td>
</tr>
<tr>
<td>Dale White</td>
<td>Boulder-Denver-Advisory Committee</td>
</tr>
<tr>
<td>Jeanne Whiteing</td>
<td>Boulder-Denver-Advisory Committee</td>
</tr>
<tr>
<td>Charles Wilkinson</td>
<td>Boulder-Denver-Advisory Committee</td>
</tr>
<tr>
<td>Wilson-Schaef Associates</td>
<td>Boulder, CO</td>
</tr>
</tbody>
</table>
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.

NARF prepares its financial statements in accordance with generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants Audit Guide for Audits of Certain Nonprofit Organizations.

The significant accounting policies followed in the preparation of these financial statements are described below.

Fund Accounting:

Separate funds have been established according to the restrictions, nature and purposes of the funds as follows:

- **Current Funds - Unrestricted**: Represents unrestricted resources available to NARF for support of its programs. Contributions and donations from unrestricted sources are generally recognized when received. Unrestricted 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)**: Interfund receivables result from restricted grant and contract funds (as described in the note on Interfund Receivable (Payable) below) which are interfund receivables recorded when the amounts of the interfund receivable or payable are recognized.
- **Current Funds - ILSC Restricted**: Represents support in the form of restricted government and foundation grants excluding that received from LSC. All ILSC funds are restricted and have been used currently to finance NARF programs. Interest and earnings of the ILSC restricted funds, reinvested in the ILSC restricted funds, are reported in the current fund investments and support and revenues.
- **Current Funds - Non-ILSC Restricted**: Represents support in the form of restricted government and foundation grants excluding that received from LSC. All non-ILSC restricted funds are restricted and have been used currently to finance NARF programs. Interest and earnings of the non-ILSC restricted funds, reinvested in the non-ILSC restricted funds, are reported in the current fund investments and support and revenues.
- **Endowment Fund**: The Endowment Fund is a separate fund that has been established to provide unrestricted operating funds for acquisition of property and equipment and principal debt service. Contributions to the Endowment Fund are recognized as capital additions at the time the contribution is received.
- **General Fixed Asset Fund**: The General Fixed Asset Fund is a separate fund that accounts for operating funds for acquisition of property and equipment and principal debt service. Contributions to the General Fixed Asset Fund are recognized as capital additions at the time the contribution is received.
- **General Purpose Fund**: The General Purpose Fund is a separate fund that accounts for operations of the Indian Law Support Center (ILSC). Contributions to the General Purpose Fund are recognized as capital additions at the time the contribution is received.

Revenue from restricted grants and contracts is deemed to be earned when NARF has incurred costs or other expenditures 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.

Current Funds - ILSC - Represents restricted support from LSC for operations of the Indian Law Support Center ("ILSC"). ILSC’s funding is maintained in the accounting records. The interfund receivable (payable) results from the difference between restricted assets received and deposited in the current fund, and the actual expenditures of those funds in the restricted fund.

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.

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of support and revenue.
NATIVE AMERICAN RIGHTS FUND, INC. BALANCE SHEETS
at September 30, 1994 with comparative totals for 1993

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>1994</th>
<th>1993</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Restricted</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>361,598</td>
<td>12,500</td>
</tr>
<tr>
<td>Cash escrow accounts</td>
<td>1,201,473</td>
<td>3,000</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>783,541</td>
<td>6,588</td>
</tr>
<tr>
<td>Bequests receivable</td>
<td>432,500</td>
<td>-</td>
</tr>
<tr>
<td>Other receivables, net of allowance of $51,000 in 1994</td>
<td>371,259</td>
<td>-</td>
</tr>
<tr>
<td>Employee advances</td>
<td>15,539</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>33,451</td>
<td>-</td>
</tr>
<tr>
<td>Interfund receivable (payable)</td>
<td>140,835</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$2,570,767</strong></td>
<td><strong>$642,706</strong></td>
</tr>
</tbody>
</table>

LIABILITIES AND FUND BALANCES

<table>
<thead>
<tr>
<th>1994</th>
<th>1993</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$274,231</td>
</tr>
<tr>
<td>Other accrued expenses</td>
<td>109,958</td>
</tr>
<tr>
<td>Accrued vacation pay</td>
<td>156,776</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>1,262,912</td>
</tr>
<tr>
<td>Mortgages and notes payable</td>
<td>766,890</td>
</tr>
<tr>
<td>Fund balances</td>
<td>-</td>
</tr>
<tr>
<td>Commitments</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total liabilities and fund balances</strong></td>
<td><strong>$2,570,767</strong></td>
</tr>
</tbody>
</table>

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

(continued from previous page)

**Statement of Cash Flows:**

NARF considers all highly liquid short-term investments purchased with an original maturity of three months or less to be cash equivalents. Interest paid during fiscal years 1994 and 1993 was $3,481 and $4,981, respectively.

**Reclassifications:**

Certain reclassifications have been made to the September 30, 1993, financial statements to conform to the 1994 presentation. These reclassifications had no effect on the excess of support and revenue over expenses after capital additions.

2. Marketable Securities:

 Marketable securities are presented in the financial statements in the aggregate at the lower of cost or market.

<table>
<thead>
<tr>
<th>1994</th>
<th>1993</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program expenses</td>
<td>$374,270</td>
</tr>
<tr>
<td>Fund raising expenses</td>
<td>231,940</td>
</tr>
<tr>
<td><strong>Property and equipment</strong></td>
<td><strong>$606,210</strong></td>
</tr>
<tr>
<td><strong>Property and equipment</strong></td>
<td><strong>$107,040</strong></td>
</tr>
</tbody>
</table>

**Statement of Cash Flows:**

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<table>
<thead>
<tr>
<th>1994</th>
<th>1993</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program expenses</td>
<td>$374,270</td>
</tr>
<tr>
<td>Fund raising expenses</td>
<td>231,940</td>
</tr>
<tr>
<td><strong>Property and equipment</strong></td>
<td><strong>$606,210</strong></td>
</tr>
</tbody>
</table>

The activity in the endowment fund for the year ended September 30, 1994 is as follows:

<table>
<thead>
<tr>
<th>1993</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment fund account, lower of cost or market</td>
<td>$1,201,473</td>
</tr>
<tr>
<td>Contributions received</td>
<td>100,000</td>
</tr>
<tr>
<td>Net earnings on investments</td>
<td>1,173,604</td>
</tr>
<tr>
<td>Less: Loss on sale of investments</td>
<td>1,449</td>
</tr>
<tr>
<td>Unrealized decline in value</td>
<td>(105,653)</td>
</tr>
<tr>
<td>Net earnings transferred to current fund</td>
<td>(38,604)</td>
</tr>
<tr>
<td>Lower of cost or market, September 30, 1994</td>
<td>$1,007,898</td>
</tr>
</tbody>
</table>

(continued on next page)
The accompanying notes are an integral part of these financial statements.

(continued from previous page)

Investments are composed of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
<th>Market</th>
<th>Balance at end of year</th>
<th>Cost</th>
<th>Market</th>
<th>Balance at beginning of year</th>
<th>Increase in unrealized depreciation</th>
<th>Realized net loss for year</th>
<th>Total net loss for year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary investments</td>
<td>$1,031,298</td>
<td>$1,031,298</td>
<td>$2,329,417</td>
<td>$2,221,020</td>
<td>$2,221,020</td>
<td>$2,209,371</td>
<td>$2,101,464</td>
<td>$1,693,478</td>
<td>$1,068,279</td>
</tr>
<tr>
<td>Fixed income securities</td>
<td>1,159,619</td>
<td>1,028,134</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity and convertible securities</td>
<td>138,500</td>
<td>149,399</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$2,329,417</td>
<td>$2,209,371</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The following tabulation summarizes the relationship between carrying values and market values of investment assets.
### NATIVE AMERICAN RIGHTS FUND, INC.
#### STATEMENTS OF CASH FLOWS
for the year ended September 30, 1994 with comparative totals for 1993

#### Cash Flows from Operating Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>ILSC</th>
<th>Currents Funds</th>
<th>NARF 21st Century Endowment Fund</th>
<th>General Fixed Asset Fund</th>
<th>Total All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess (deficiency) of support and revenue over expenses after capital additions</td>
<td>$(776,811)</td>
<td>$93,940</td>
<td>$7,093</td>
<td></td>
<td>$(157,155)</td>
<td>$(93,001)</td>
<td>$(611,624)</td>
</tr>
<tr>
<td>Adjustments to reconcile excess (deficiency) of support and revenue over expenses after capital additions to net cash provided by (used in) operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>51,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>51,000</td>
<td>79,588</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>2,370</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>31,773</td>
<td>-</td>
</tr>
<tr>
<td>Loss on sale of investments</td>
<td>30,324</td>
<td>-</td>
<td>-</td>
<td>1,449</td>
<td>-</td>
<td>-</td>
<td>14,393</td>
</tr>
<tr>
<td>Unrealized loss on investments</td>
<td>14,393</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in operating assets and liabilities:</td>
<td>88,396</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>88,396</td>
</tr>
<tr>
<td>Decrease (increase) in cash escrow accounts</td>
<td>(14,112)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(14,112)</td>
<td>-</td>
</tr>
<tr>
<td>Decrease (increase) in grants and bequests receivable</td>
<td>(163,500)</td>
<td>(138,979)</td>
<td>20,749</td>
<td>-</td>
<td>-</td>
<td>(281,730)</td>
<td>544,948</td>
</tr>
<tr>
<td>Decrease (increase) in other receivables</td>
<td>327,352</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>327,352</td>
</tr>
<tr>
<td>Decrease (increase) in other assets</td>
<td>14,850</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,850</td>
<td>27,785</td>
</tr>
<tr>
<td>Decrease in donated art</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,500</td>
</tr>
<tr>
<td>Net cash provided by (used in) investing activities</td>
<td>306,905</td>
<td>93,940</td>
<td>30,041</td>
<td>158,604</td>
<td>-</td>
<td>-</td>
<td>589,490</td>
</tr>
<tr>
<td>Cash flows from investing activities: (Additions to) proceeds from investments</td>
<td>(40,170)</td>
<td>-</td>
<td>-</td>
<td>(100,000)</td>
<td>-</td>
<td>(140,170)</td>
<td>(411,372)</td>
</tr>
<tr>
<td>Purchase of fixed assets</td>
<td>(40,170)</td>
<td>-</td>
<td>-</td>
<td>(100,000)</td>
<td>-</td>
<td>(140,170)</td>
<td>(411,372)</td>
</tr>
<tr>
<td>Proceeds from sale of donated art</td>
<td>11,129</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,129</td>
</tr>
<tr>
<td>Net cash provided by (used in) investing activities</td>
<td>29,041</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(100,000)</td>
<td>(230,152)</td>
</tr>
<tr>
<td>Cash flows from financing activities: Net fund balance transfers</td>
<td>34,165</td>
<td>(93,940)</td>
<td>(9,463)</td>
<td>(58,604)</td>
<td>127,842</td>
<td>-</td>
<td>(281,730)</td>
</tr>
<tr>
<td>Payment of debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(26,731)</td>
<td>(26,731)</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>34,165</td>
<td>(93,940)</td>
<td>(9,463)</td>
<td>(58,604)</td>
<td>127,842</td>
<td>-</td>
<td>(281,730)</td>
</tr>
<tr>
<td>Increase (decrease) in cash</td>
<td>312,029</td>
<td>-</td>
<td>20,578</td>
<td>-</td>
<td>-</td>
<td>332,607</td>
<td>(324,920)</td>
</tr>
<tr>
<td>Cash and equivalents at beginning of year</td>
<td>49,569</td>
<td>-</td>
<td>20,578</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>69,144</td>
</tr>
<tr>
<td>Cash and equivalents at end of year</td>
<td>$361,598</td>
<td>-</td>
<td>$20,578</td>
<td>-</td>
<td>-</td>
<td>$382,176</td>
<td>$49,569</td>
</tr>
</tbody>
</table>

(continued from previous page)

3. **Restricted Grants Receivable and Deferred Revenue:**

Restricted grants receivable and deferred revenue consist of the following individual restricted grants or contracts:

<table>
<thead>
<tr>
<th>September 30, 1994</th>
<th>September 30, 1993</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants Receivable</td>
<td>Deferred Revenue</td>
</tr>
<tr>
<td>Ford Foundation</td>
<td>$ -</td>
</tr>
<tr>
<td>Carnegie Corporation</td>
<td>-112,028</td>
</tr>
<tr>
<td>Legal Services Corporation</td>
<td>6,588</td>
</tr>
<tr>
<td>Bequests</td>
<td>-423,500</td>
</tr>
<tr>
<td>Other</td>
<td>-17,370</td>
</tr>
<tr>
<td>Total</td>
<td>$790,129</td>
</tr>
<tr>
<td>September 30, 1993</td>
<td>$1,924,083</td>
</tr>
<tr>
<td>Grants</td>
<td>Deferred Revenue</td>
</tr>
<tr>
<td>Ford Foundation</td>
<td>$ -</td>
</tr>
<tr>
<td>Carnegie Corporation</td>
<td>-120,435</td>
</tr>
<tr>
<td>Legal Services Corporation</td>
<td>27,337</td>
</tr>
<tr>
<td>Bequests</td>
<td>-269,000</td>
</tr>
<tr>
<td>Other</td>
<td>-24,840</td>
</tr>
<tr>
<td>Total</td>
<td>$432,500</td>
</tr>
</tbody>
</table>

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

$833,333 of the Ford Foundation grant and the bequests deferred revenue of $432,500 are recorded in the current fund. This portion of the Ford Foundation grant is to be used for general and fundraising purposes, subject to a maximum annual amount of $600,000.

(continued on next page)
The audited financial statements of the Native American Rights Fund for the fiscal year ended September 30, 1994, show that we received an unqualified auditor’s opinion from our independent accountants, Coopers & Lybrand L.P. Of significant note for FY94 is the decrease in NARF’s unrestricted fund balance from a FY93 high of $1,509,536 to a FY94 year-end level of $766,890. NARF’s total support and revenue decreased by $1,854,398 from the previous fiscal year. The most significant variances in revenue are found in the categories of “Contributions” and “Legal Fees”.

Contributions from individuals for FY94 decreased by $1,272,871, primarily due to a few unusually large gifts in FY93 that were not recurring in FY94. Legal Fee revenue was at a low for FY94, primarily due to the successful closure of a number of NARF’s fee cases. A comparison of revenue sources for FY93 and FY94 is shown below.

Total expenditures for FY94 decreased by $415,622. This difference is primarily related to the timing of expenses for fundraising activity and a decrease in travel and consultant expense, coupled with a sensitivity toward maintaining a watchful eye with our expenses. NARF has, again, successfully achieved our goal of keeping expenditures related to support services below or near the 25% level so that as much as possible of every dollar spent can support program services for our Native American constituency.

NARF’s expenditures, by function, are compared below for FY93 and FY94.

<table>
<thead>
<tr>
<th>FUNCTIONAL EXPENDITURES</th>
<th>FY94</th>
<th>FY93</th>
</tr>
</thead>
<tbody>
<tr>
<td>Litigation &amp; Client Services</td>
<td>70.0%</td>
<td>70.0%</td>
</tr>
<tr>
<td>National Indian Law Library</td>
<td>5.3%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Program Services:</td>
<td>75.3%</td>
<td>74.7%</td>
</tr>
<tr>
<td>Management &amp; General</td>
<td>13.0%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Fundraising</td>
<td>11.7%</td>
<td>12.3%</td>
</tr>
<tr>
<td>Support Services:</td>
<td>24.7%</td>
<td>23.5%</td>
</tr>
</tbody>
</table>

4. Mortgage and Notes Payable:

Mortgage and notes payable consist of the following:

<table>
<thead>
<tr>
<th>Non-ILSC Restricted</th>
<th>ILSC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances at beginning of year</td>
<td>$586,708</td>
</tr>
<tr>
<td>Additions, contributions and bequests</td>
<td>1,619,587</td>
</tr>
<tr>
<td>Transfer to unrestricted</td>
<td>(336,767)</td>
</tr>
<tr>
<td>Deductions, funds expended during the year</td>
<td>(1,255,523)</td>
</tr>
<tr>
<td>Balances at end of year</td>
<td>$634,405</td>
</tr>
</tbody>
</table>

5. Commitments:

NARF leases certain space and equipment under operating leases. Annual future minimum rental payments under operating leases are as follows (fiscal years): 1995 - $105,622; 1996 - $80,322; 1997 - $64,915; 1998 - $41,451. Rental expense was $93,373 and $74,566 for 1994 and 1993, respectively.

6. Retirement Benefits:

On August 6, 1994, NARF’s Board of Directors authorized the adoption of a noncontributory defined contribution plan, effective as of October 1, 1993, for its employees. All employees are eligible to participate in the plan subject to a minimum of six months employment and attainment of age 21. Benefits payable under the plan are based upon a percentage of participants’ eligible compensation, funded by a contribution made by NARF. The election to make the contribution and the percentage of employee compensation to be contributed is at the discretion of the Corporate Officers on the last day of each calendar quarter. During fiscal year ended 1994, NARF recognized approximately $87,000 in costs relating to a contribution to the participants’ accounts.

7. Concentrations of Credit Risk:

NARF’s general bank account and investments are managed and managed by a single, federally insured depository institution.

NARF’s other receivables arise from providing legal representation, assistance and education to Native American people and tribes. The grants receivable are principally due from the Bureau of Indian Affairs.

8. New Accounting Pronouncements:

Effective September 30, 1996, NARF will be required to implement SFAS No. 116, “Accounting for Contributions Received and Contributions Made,” and SFAS No. 117, “Financial Statements of Not-For-Profit Organizations.” The most significant provision of SPAS No. 116 is the recognition of pledges and SPAS No. 117, “Financial Statements of Not-For-Profit Organizations.” The most significant provision of SPAS No. 116 is the recognition of pledges and SPAS No. 117, “Financial Statements of Not-For-Profit Organizations.” NARF has adopted SFAS No. 116 and SFAS No. 117.

NARF has an unused $300,000 line of credit with a bank at the bank’s prime rate which expires January 31, 1995, which may be renewed annually by the bank at the bank’s approval. Outstanding loans under the line of credit are to be collateralized by NARF’s real property in Boulder, Colorado. The line of credit agreement contains covenants which include minimum working capital, limits on operating expenses that may exceed total annual committed support. No amounts were outstanding at September 30, 1994.

Annual maturity requirements on the mortgage and notes payable are as follows (fiscal years): 1995 - $24,840; 1996 - $1,840.