




# **Native American Rights Fund, Inc.**

## **Independent Auditor's Report and Financial Statements**

September 30, 2025 and 2024



Native American Rights Fund, Inc.  
Contents  
September 30, 2025 and 2024

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## Independent Auditor's Report

Board of Directors  
Native American Rights Fund, Inc.  
Boulder, Colorado

### ***Opinion***

We have audited the financial statements of Native American Rights Fund, Inc. (NARF), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NARF as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NARF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NARF's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NARF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NARF's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Forvis Mazars, LLP**

Colorado Springs, Colorado  
February 9, 2026

**Native American Rights Fund, Inc.**  
**Statements of Financial Position**  
**September 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash	\$ 3,384,037	\$ 3,053,102
Prepaid expenses and other assets	504,612	447,753
Other receivables	170,806	258,665
Employee travel advances	32,237	23,245
Grants and contributions receivable, net	7,232,886	7,478,868
Investments	67,959,085	59,482,602
Right-of-use assets - operating leases	1,248,229	1,444,263
Right-of-use assets - finance lease	43,662	56,136
Property and equipment	<u>11,593,733</u>	<u>11,870,646</u>
<b>Total Assets</b>	<u><u>\$ 92,169,287</u></u>	<u><u>\$ 84,115,280</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 259,586	\$ 663,529
Accrued vacation payable	807,685	686,764
Other accrued expenses	335,998	290,615
Operating lease liability	1,300,704	1,486,992
Finance lease liability	48,800	58,885
Employee retirement obligation	<u>390,619</u>	<u>341,543</u>
<b>Total Liabilities</b>	<u>3,143,392</u>	<u>3,528,328</u>
<b>NET ASSETS</b>		
Without donor restrictions		
Future Legal Advocacy Fund	30,000,000	30,000,000
Undesignated	<u>47,321,604</u>	<u>40,051,126</u>
	<u>77,321,604</u>	<u>70,051,126</u>
With donor restrictions		
Perpetual in nature	1,187,031	1,175,807
Purpose restrictions	<u>10,517,260</u>	<u>9,360,019</u>
	<u>11,704,291</u>	<u>10,535,826</u>
<b>Total Net Assets</b>	<u>89,025,895</u>	<u>80,586,952</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 92,169,287</u></u>	<u><u>\$ 84,115,280</u></u>

**Native American Rights Fund, Inc.**  
**Statement of Activities**  
**Year Ended September 30, 2025**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues, Gains and Other Support</b>			
Foundation grants	\$ 4,215,001	\$ 3,691,920	\$ 7,906,921
Contributions	8,612,083	3,595,532	12,207,615
Legal fees	531,103	-	531,103
Other	70,243	-	70,243
Investment return, net	8,552,963	68,318	8,621,281
Net assets released from restrictions	6,187,305	(6,187,305)	-
<b>Total Revenues, Gains and Other Support</b>	<b>28,168,698</b>	<b>1,168,465</b>	<b>29,337,163</b>
<b>Expenses</b>			
Program services			
Litigation and client services	13,417,723	-	13,417,723
National Indian Law Library	668,470	-	668,470
<b>Total program services</b>	<b>14,086,193</b>	<b>-</b>	<b>14,086,193</b>
Supporting services			
Management and general	2,400,011	-	2,400,011
Fundraising expenses	4,412,016	-	4,412,016
<b>Total supporting services</b>	<b>6,812,027</b>	<b>-</b>	<b>6,812,027</b>
<b>Total Expenses</b>	<b>20,898,220</b>	<b>-</b>	<b>20,898,220</b>
<b>Change in Net Assets</b>	<b>7,270,478</b>	<b>1,168,465</b>	<b>8,438,943</b>
<b>Net Assets, Beginning of Year</b>	<b>70,051,126</b>	<b>10,535,826</b>	<b>80,586,952</b>
<b>Net Assets, End of Year</b>	<b>\$ 77,321,604</b>	<b>\$ 11,704,291</b>	<b>\$ 89,025,895</b>

**Native American Rights Fund, Inc.**  
**Statement of Activities**  
**Year Ended September 30, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues, Gains and Other Support</b>			
Foundation grants	\$ 2,650,427	\$ 6,884,154	\$ 9,534,581
Contributions	7,719,061	3,671,404	11,390,465
Legal fees	1,003,416	-	1,003,416
Other	46,411	-	46,411
Investment return, net	10,817,063	42,658	10,859,721
Net assets released from restrictions	6,436,599	(6,436,599)	-
<b>Total Revenues, Gains and Other Support</b>	<b>28,672,977</b>	<b>4,161,617</b>	<b>32,834,594</b>
<b>Expenses</b>			
Program services			
Litigation and client services	13,844,446	-	13,844,446
National Indian Law Library	658,441	-	658,441
<b>Total program services</b>	<b>14,502,887</b>	<b>-</b>	<b>14,502,887</b>
Supporting services			
Management and general	1,903,756	-	1,903,756
Fundraising expenses	3,701,512	-	3,701,512
<b>Total supporting services</b>	<b>5,605,268</b>	<b>-</b>	<b>5,605,268</b>
<b>Total Expenses</b>	<b>20,108,155</b>	<b>-</b>	<b>20,108,155</b>
<b>Change in Net Assets</b>	<b>8,564,822</b>	<b>4,161,617</b>	<b>12,726,439</b>
<b>Net Assets, Beginning of Year</b>	<b>61,486,304</b>	<b>6,374,209</b>	<b>67,860,513</b>
<b>Net Assets, End of Year</b>	<b>\$ 70,051,126</b>	<b>\$ 10,535,826</b>	<b>\$ 80,586,952</b>

**Native American Rights Fund, Inc.**  
**Statement of Functional Expenses**  
**Year Ended September 30, 2025**

	<b>Litigation and Client Services</b>	<b>National Indian Law Library</b>	<b>Total Program Expenses</b>	<b>Management and General</b>	<b>Fund Raising</b>	<b>Total Supporting Expenses</b>	<b>Total Expenses</b>
Salaries and related costs							
Professional staff	\$ 6,932,877	\$ 410,833	\$ 7,343,710	\$ 902,513	\$ 698,520	\$ 1,601,033	\$ 8,944,743
Support staff	1,163,663	12,190	1,175,853	456,769	183,884	640,653	1,816,506
Fringe benefits	1,577,195	135,438	1,712,633	323,864	271,038	594,902	2,307,535
Total salaries and related costs	9,673,735	558,461	10,232,196	1,683,146	1,153,442	2,836,588	13,068,784
Contract fees and consultants	1,316,503	-	1,316,503	61,994	37,400	99,394	1,415,897
Travel	543,677	8,638	552,315	130,487	114,316	244,803	797,118
Space costs	633,784	18,000	651,784	54,645	26,075	80,720	732,504
Office expenses	519,466	31,233	550,699	229,170	2,948,533	3,177,703	3,728,402
Equipment maintenance and rental	233,094	23,361	256,455	182,899	24,961	207,860	464,315
Litigation costs	21,480	-	21,480	-	-	-	21,480
Library costs	171,465	13,605	185,070	3,201	7,157	10,358	195,428
Expenses before depreciation	13,113,204	653,298	13,766,502	2,345,542	4,311,884	6,657,426	20,423,928
Depreciation	304,519	15,172	319,691	54,469	100,132	154,601	474,292
Total expenses	<u>\$ 13,417,723</u>	<u>\$ 668,470</u>	<u>\$ 14,086,193</u>	<u>\$ 2,400,011</u>	<u>\$ 4,412,016</u>	<u>\$ 6,812,027</u>	<u>\$ 20,898,220</u>



**Native American Rights Fund, Inc.**  
**Statement of Functional Expenses**  
**Year Ended September 30, 2024**

	<b>Litigation and Client Services</b>	<b>National Indian Law Library</b>	<b>Total Program Expenses</b>	<b>Management and General</b>	<b>Fund Raising</b>	<b>Total Supporting Expenses</b>	<b>Total Expenses</b>
Salaries and related costs							
Professional staff	\$ 6,351,579	\$ 399,404	\$ 6,750,983	\$ 723,916	\$ 753,747	\$ 1,477,663	\$ 8,228,646
Support staff	971,377	11,029	982,406	371,621	204,787	576,408	1,558,814
Fringe benefits	1,558,506	136,220	1,694,726	194,506	288,899	483,405	2,178,131
Total salaries and related costs	8,881,462	546,653	9,428,115	1,290,043	1,247,433	2,537,476	11,965,591
Contract fees and consultants	2,078,228	-	2,078,228	48,865	33,300	82,165	2,160,393
Travel	649,092	10,619	659,711	97,007	128,288	225,295	885,006
Space costs	670,043	26,403	696,446	72,328	43,064	115,392	811,838
Office expenses	963,005	26,564	989,569	187,798	2,149,437	2,337,235	3,326,804
Equipment maintenance and rental	142,669	18,013	160,682	165,997	14,693	180,690	341,372
Litigation costs	25,078	-	25,078	-	-	-	25,078
Library costs	140,644	16,195	156,839	1,259	6,631	7,890	164,729
Expenses before depreciation	13,550,221	644,447	14,194,668	1,863,297	3,622,846	5,486,143	19,680,811
Depreciation	294,225	13,994	308,219	40,459	78,666	119,125	427,344
Total expenses	<u>\$ 13,844,446</u>	<u>\$ 658,441</u>	<u>\$ 14,502,887</u>	<u>\$ 1,903,756</u>	<u>\$ 3,701,512</u>	<u>\$ 5,605,268</u>	<u>\$ 20,108,155</u>

**Native American Rights Fund, Inc.**  
**Statements of Cash Flows**  
**Years Ended September 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>Operating Activities</b>		
Change in net assets	\$ 8,438,943	\$ 12,726,439
Items not requiring (providing) cash		
Depreciation expense	474,292	427,344
Net realized and unrealized gain on investments	(7,452,553)	(9,646,389)
Contributions received for long-term investment	(11,224)	(107,749)
Noncash lease expense	196,034	212,760
Changes in		
Other receivables	87,859	(22,489)
Grants and contributions receivable	245,982	(4,267,034)
Prepaid expenses and other assets	(65,851)	(34,403)
Accounts payable and accrued expenses	(237,639)	203,103
Retirement recognition program	49,076	(21,294)
Lease liability	(186,288)	(191,417)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>1,538,631</b>	<b>(721,129)</b>
<b>Investing Activities</b>		
Proceeds from sales of investments	3,442,796	1,483,057
Purchases of investments	(4,466,726)	(4,417,678)
Purchase of property and equipment	(184,905)	(222,848)
<b>Net Cash Used in Investing Activities</b>	<b>(1,208,835)</b>	<b>(3,157,469)</b>
<b>Financing Activities</b>		
Contributions received for long-term investment	11,224	107,749
Principal payments under finance lease obligations	(10,085)	(17,082)
<b>Net Cash Provided by Financing Activities</b>	<b>1,139</b>	<b>90,667</b>
<b>Net Increase (Decrease) in Cash</b>	<b>330,935</b>	<b>(3,787,931)</b>
<b>Cash, Beginning of Year</b>	<b>3,053,102</b>	<b>6,841,033</b>
<b>Cash, End of Year</b>	<b>\$ 3,384,037</b>	<b>\$ 3,053,102</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Interest paid	\$ 5,173	\$ 14,855
Equipment purchased under finance lease	-	62,373

## **Note 1. Nature of Operations and Summary of Significant Accounting Policies**

### ***Nature of Operations***

Native American Rights Fund, Inc. (NARF) is a not-for-profit organization whose mission and principal activities are to provide legal representation, assistance and education to Native American people. NARF's revenues and other support are derived principally from support from private foundations, the United States government, public contributions and a limited fee policy, with the majority of its funding derived from grant and contribution support and legal fees.

The activities of NARF include the following programs:

### ***Litigation and Client Services***

NARF provides legal representation, assistance and education to Native American people. The major areas of concentration include tribal restoration and recognition, land claims settlements, hunting and fishing rights, the protection of Indian religious freedom and education rights.

### ***National Indian Law Library (NILL)***

NILL is the national repository of, and clearinghouse for, materials in Indian law. NILL collects and distributes catalogues and other materials used for legal and educational purposes. NILL also provides reference and research assistance.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

### ***Cash***

At September 30, 2025, NARF's cash accounts exceeded federally insured limits by approximately \$3.2 million. Uninvested cash and cash equivalents included in investment accounts are not considered to be cash for financial reporting purposes.

### ***Other Receivables***

Other receivables are stated at the amount of consideration from customers of which the NARF has an unconditional right to receive. NARF provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Delinquent receivables are written off based on individual account evaluation and specific circumstances of the client.

### ***Investments and Net Investment Return***

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses.

Investments in private equity funds are recorded at net asset value (NAV), as a practical expedient.

Investment returns that are initially restricted by donor stipulation and for which the restriction will be satisfied in the same year are recorded as with donor restrictions and then released from restriction. Other investment returns are reflected in the statements of activities as with or without donor restriction based upon the existence and nature of any donor or legally imposed restrictions.

***Property and Equipment***

Property and equipment are depreciated on a straight-line basis over the estimated useful life of each asset. Assets under capital lease obligations are depreciated over the shorter of the lease term or their respective estimated useful lives. The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and improvements	30-50 years
Leasehold improvements	7-10 years
Furniture and equipment	5-10 years

***Long-Lived Asset Impairment***

NARF evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended September 30, 2025 and 2024.

***Collections***

Collections of works of art, historical treasures and similar assets are not capitalized in as much as the items are preserved and cared for continuously. Purchases of collection items are reported in the year of acquisition as decreases in net assets without donor restriction, or in net assets with donor restriction if the assets used to purchase the items were restricted to that use by donor stipulation. Contributions of collection items are not reported in the financial statements. Proceeds from disposal of and insurance recoveries related to collection items are reported as increases in the appropriate net asset classes.

NARF's collections consist of rare books and maps. These collections are held for educational and research purposes. They are subject to a policy that requires proceeds from the disposition of collection items to be used to acquire other collection items.

No collection items were sold or removed in 2025 and 2024.

***Net Assets***

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor or certain grantor restrictions, net assets for a board-designated endowment, the Future Legal Advocacy Fund.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

**Future Legal Advocacy Fund**

The fund consists of amounts designated by the Board of Directors for future costs associated with representation of tribes and native organizations who do not have the resources to pay for the costs of preparing for protracted litigation. As the amounts are designated by the board and not donors, the amounts are considered without donor restriction as the board can change the designation.

**Contributions**

Contributions are provided to NARF either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on NARF overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

**Foundation Grants**

Support funded by grants is recognized as NARF performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays may be subject to audit and acceptance by the grantor and, as a result of such audit, adjustments could be required.

### ***Legal Fees***

NARF provides a variety of legal services to clients, which are considered a single, bundled performance obligation. The related legal fees are derived from the related time and expenses incurred by NARF. Revenue is reported at the estimated transaction price or amount that reflects the consideration to which NARF expects to be entitled in exchange for providing the legal services.

For the years ended September 30, 2025 and 2024, NARF recognized revenue of \$531,103 and \$1,003,416, respectively, from services that transfer to clients over time.

### ***Income Taxes***

NARF is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, NARF is subject to federal income tax on any unrelated business taxable income.

### ***Functional Allocation of Expenses***

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on the estimated time expended by professional staff to that function and other methods.

### ***Revision***

Certain immaterial revisions have been made to the 2024 fair value disclosure in Note 3 to revise the presentation of cash equivalents, at cost to money market mutual funds, with broker, at fair value and included within the hierarchy. This revision had no impact on the financial statement line items impacted.

### ***Subsequent Events***

Subsequent events have been evaluated through February 9, 2026, which is the date the financial statements were available to be issued.

## **Note 2. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2025 and 2024, comprise the following:

	<u>2025</u>	<u>2024</u>
Total financial assets	\$ 78,746,814	\$ 70,273,237
Less: Amounts due in more than one year		
Contributions receivable, net	1,890,886	2,855,368
Less: Private equity investments not available to be used within one year as they have lock-up periods extending past one year	6,239,201	5,340,123
Less: Perpetual donor restrictions	1,187,031	1,175,807
Less: Board-designated endowment	<u>30,000,000</u>	<u>30,000,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 39,429,696</u>	<u>\$ 30,901,939</u>

NARF receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

NARF's endowment funds consist of donor-restricted endowments and funds designated by the board as an endowment. Income from donor-restricted endowments is available for general expenditure. Donor-restricted endowment funds are not available for general expenditure.

The board-designated endowment is described in Note 1. Although NARF does not intend to spend from this board-designated endowment, these amounts could be made available, if necessary.

NARF manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

### **Note 3. Disclosures about Fair Value of Assets and Liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Following is a description of the inputs and valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended September 30, 2025.

#### ***Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include fixed income securities, equities and mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Invested funds as reported by the investment manager and no further adjustments have been made. There were no Level 2 securities for fiscal year 2025 or 2024. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. NARF does not have any Level 2 or Level 3 investments.



**Native American Rights Fund, Inc.**  
**Notes to Financial Statements**  
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The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2025 and 2024:

	2025			
	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments				
Money market accounts, with broker	\$ 4,133,577	\$ 4,133,577	\$ -	\$ -
Fixed income securities	51,926	51,926	-	-
Equities				
Domestic	26,109,659	26,109,659	-	-
International	2,341,533	2,341,533	-	-
Mutual funds				
Fixed income	2,311,707	2,311,707	-	-
Equities	1,905,779	1,905,779	-	-
Exchange traded funds	11,435,698	11,435,698	-	-
Equity long/short fund	11,425,376	11,425,376	-	-
Alternative investments (A)				
Private equity	2,004,629	-	-	-
Private equity	1,823,557	-	-	-
Private equity	2,412,157	-	-	-
Private equity	2,003,487	-	-	-
	<u>\$ 67,959,085</u>	<u>\$ 59,715,255</u>	<u>\$ -</u>	<u>\$ -</u>

**Native American Rights Fund, Inc.**  
**Notes to Financial Statements**  
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	2024			
	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Total			
Investments				
Money market accounts, with broker	\$ 776,165	\$ 776,165	\$ -	\$ -
Fixed income securities	1,993,757	1,993,757	-	-
Equities				
Domestic	25,041,998	25,041,998	-	-
International	1,996,788	1,996,788	-	-
Mutual funds				
Fixed income	2,356,817	2,356,817	-	-
Equities	1,996,017	1,996,017	-	-
Exchange traded funds	9,078,465	9,078,465	-	-
Equity long/short fund	8,870,144	8,870,144	-	-
Alternative investments (A)				
Private equity	2,032,328	-	-	-
Private equity	1,030,790	-	-	-
Private equity	2,210,104	-	-	-
Private equity	2,099,229	-	-	-
	<u>\$ 59,482,602</u>	<u>\$ 52,110,151</u>	<u>\$ -</u>	<u>\$ -</u>

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

**Alternative Investments**

Investments in certain entities measured at fair value using the net asset value per share as a practical expedient consist of the following:

	2025	2024	Unfunded Commitments
Alternative investments			
Private equity (A)	\$ 2,004,629	\$ 2,032,328	\$ -
Private equity (B)	1,823,557	1,030,790	\$ 216,000
Private equity (B)	2,412,157	2,210,104	\$ -
Private equity (C)	<u>2,003,487</u>	<u>2,099,229</u>	<u>\$ -</u>
Total investments	<u>\$ 8,243,830</u>	<u>\$ 7,372,451</u>	

**Native American Rights Fund, Inc.**  
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- (A) This fund consists of an investment in the Blue Owl Credit Income fund, which is a perpetually non-traded business development company that offers the potential to generate income by originating loans to, and making debt investments in, U.S. middle market companies. NARF's investment in the Fund is redeemable quarterly with one months' notice, with up to a 5% redemption per quarter or 20% per year of outstanding shares.
- (B) This fund consists of an investment in Alkeon Innovation Offshore Fund (the Fund). The Fund will invest 40% – 60% of the Fund into private equity as opportunities are identified. NARF's investment in the Fund is illiquid. After four years, the Fund will allow liquidation of the public investment portion of the Fund, which can be liquidated 25% after four years up to full liquidation after year seven.
- (C) This category consists of an investment in the Blue Owl Technology Finance Corporation, which was organized to originate and make debt and equity investments in technology-related companies based primarily in the United States. NARF's investment in the corporation is illiquid. The fund is planning on listing as a mutual fund with daily liquidity in approximately three to five years.

**Note 4. Grants and Contributions Receivable**

Grants and contributions receivable at September 30 consist of the following:

	<b>2025</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Due within one year	\$ 305,000	\$ 5,037,000	\$ 5,342,000
Due in one to five years	-	2,150,000	2,150,000
Discount for time value of money	-	(259,114)	(259,114)
	<u>\$ 305,000</u>	<u>\$ 6,927,886</u>	<u>\$ 7,232,886</u>
	<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Due within one year	\$ 400,000	\$ 4,223,500	\$ 4,623,500
Due in one to five years	-	3,284,000	3,284,000
Discount for time value of money	-	(428,632)	(428,632)
	<u>\$ 400,000</u>	<u>\$ 7,078,868</u>	<u>\$ 7,478,868</u>

Discount rates ranged from 3% to 5% for 2025 and 2024.

## **Note 5. Property and Equipment**

Property and equipment at September 30 consist of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 3,570,000	\$ 3,570,000
Building and leasehold improvements	8,163,053	8,022,273
Equipment and furniture	<u>1,639,586</u>	<u>1,620,210</u>
	13,372,639	13,212,483
Less accumulated depreciation and amortization	<u>(1,778,906)</u>	<u>(1,341,837)</u>
	<u><u>\$ 11,593,733</u></u>	<u><u>\$ 11,870,646</u></u>

## **Note 6. Operating Leases**

### ***Accounting Policies***

NARF determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. NARF determines lease classification as operating or finance at the lease commencement date.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. NARF has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that NARF is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

NARF has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

### ***Nature of Leases***

NARF has entered into two operating leases for office space in Alaska and Washington D.C. that expire in 2025 and 2034, respectively. These leases contain renewal options for ten one-year periods for the Alaska lease and one five-year period for the D.C. lease which management is not reasonably certain to extend. Lease payments have an escalating fee schedule at 3.00% for Alaska and 2.50% for D.C., annually. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

After year-end, NARF signed a new lease for office space in Alaska through 2035.

**Native American Rights Fund, Inc.**  
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**All Leases**

NARF has no material related-party leases.

NARF's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

NARF has certain month-to-month arrangements for storage and other short-term operational needs. The total annual cost on these arrangements is not significant.

**Quantitative Disclosures**

The lease cost and other required information for the years ended September 30, 2025 and 2024 are:

	<u>2025</u>	<u>2024</u>
Lease cost		
Operating lease cost	\$ 276,151	\$ 263,214
Short-term (month-to-month) leases	72,280	72,280
	<u>\$ 348,431</u>	<u>\$ 335,494</u>
Other information		
Cash paid for amounts included in the measurement of lease liability		
Operating cash flows from operating leases	\$ 196,034	\$ 212,760
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ -	\$ 1,444,263
Weighted-average remaining lease term		
Operating lease	8.25 years	9.25 years
Weighted-average discount rate		
Operating lease	4.10%	4.10%

Future minimum lease payments and reconciliation to the statements of financial position at September 30, 2025 are as follows:

	<u>Operating Lease</u>
2026	\$ 167,445
2027	171,624
2028	175,901
2029	180,304
2030	184,808
Thereafter	667,312
	<u>1,547,394</u>
Total future undiscounted lease payments	1,547,394
Less imputed interest	(246,690)
	<u>\$ 1,300,704</u>

**Native American Rights Fund, Inc.**  
**Notes to Financial Statements**  
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**Note 7. Finance Leases**

Finance leases include leases covering office equipment such as copiers and postage. The finance leases expire in various years through 2029.

	<u>2025</u>	<u>2024</u>
Lease cost		
Finance lease cost	<u>\$ 10,085</u>	<u>\$ 11,921</u>
Other information		
Cash paid for amounts included in the measurement of lease liability		
Financing cash flows from finance leases	\$ 10,085	\$ 17,082
Right-of-use assets obtained in exchange for new finance lease liabilities	\$ -	\$ 62,373
Weighted-average remaining lease term		
Operating lease	3.75 years	4.75 years
Weighted-average discount rate		
Operating lease	9.50%	9.50%

Future minimum lease payments and reconciliation to the statements of financial position at September 30, 2025 are as follows:

	<u>Finance Lease</u>
2026	\$ 15,258
2027	15,258
2028	15,258
2029	<u>12,705</u>
Total future undiscounted lease payments	58,479
Less imputed interest	<u>(9,679)</u>
	<u>\$ 48,800</u>

**Native American Rights Fund, Inc.**  
**Notes to Financial Statements**  
**September 30, 2025 and 2024**

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**Note 8. Net Assets**

***Net Assets with Donor Restrictions***

Net assets with donor restrictions at September 30 are available for the following purposes or periods:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose		
Indian Child Welfare Act Web Log	\$ 42,658	\$ 43,083
Representation of Alaskan Villages	1,569,422	1,543,290
Voting Rights	763,057	1,040,580
Tribal Water Institute	2,855,960	3,195,421
Law Fellowships	1,887	176,230
UN Declaration-Rights of Indigenous Peoples	263,897	601,413
Tribal Conservation Easement	916,517	46,319
Subject to the passage of time		
Grants and contributions receivable, not included in other purpose restrictions above	4,103,862	2,713,683
Endowments – perpetual in nature		
21st Century Endowment	<u>1,187,031</u>	<u>1,175,807</u>
	<u>\$ 11,704,291</u>	<u>\$ 10,535,826</u>

**Native American Rights Fund, Inc.**  
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***Net Assets Released from Restrictions***

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2025</u>	<u>2024</u>
Purpose restrictions accomplished		
Bering Sea Protection	\$ -	\$ 239,000
Boarding School Healing Coalition	-	148,186
Client Representation against Pipelines	-	110,000
Indian Child Welfare Act Trainings	425	7,920
Environmental Justice	135,000	-
Institutional Strengthening	-	166,879
Law Clerk Program	46,718	38,619
Peacemaking Project	-	62,537
Representation of Alaskan Villages	340,000	593,325
Supreme Court Project	-	300,000
Voting Rights	1,244,592	1,602,448
Tribal Water Institute	1,375,888	481,404
Water Symposium	-	50,000
Law Fellowships	174,343	236,823
Tribal Conservation Easement	369,836	148,681
UN Declaration-Rights of Indigenous Peoples	351,475	205,341
Sacred Places	-	219,362
Time restrictions expired	<u>2,149,028</u>	<u>1,826,074</u>
	<u>\$ 6,187,305</u>	<u>\$ 6,436,599</u>

**Note 9. Endowments**

NARF's endowment consists of two funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds (21<sup>st</sup> Century Endowment) and funds designated by the governing body to function as endowments (board-designated endowment funds titled Future Legal Advocacy Fund). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

NARF has interpreted the state of Colorado's Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Although NARF is incorporated in Washington, D.C., its headquarters are located in Boulder, Colorado. Management has compared the acts from the two jurisdictions and does not believe differences between the two jurisdictions to be significant. As a result of this interpretation, NARF classifies as net assets with donor restrictions – perpetual in nature (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by NARF in a manner consistent with the standard of prudence prescribed by UPMIFA.



**Native American Rights Fund, Inc.**  
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**September 30, 2025 and 2024**

The composition of net assets by type of endowment fund at September 30, 2025 and 2024:

	<b>2025</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment funds	\$ 30,000,000	\$ -	\$ 30,000,000
Donor-restricted endowment funds	-	1,187,031	1,187,031
	<u>\$ 30,000,000</u>	<u>\$ 1,187,031</u>	<u>\$ 31,187,031</u>

	<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Board-designated endowment funds	\$ 30,000,000	\$ -	\$ 30,000,000
Donor-restricted endowment funds	-	1,175,807	1,175,807
	<u>\$ 30,000,000</u>	<u>\$ 1,175,807</u>	<u>\$ 31,175,807</u>

Changes in endowment net assets for the years ended September 30, 2025 and 2024:

	<b>2025</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 30,000,000	\$ 1,175,807	\$ 31,175,807
Contributions	-	11,224	11,224
Endowment net assets, end of year	<u>\$ 30,000,000</u>	<u>\$ 1,187,031</u>	<u>\$ 31,187,031</u>

	<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 30,000,000	\$ 1,068,058	\$ 31,068,058
Contributions	-	107,749	107,749
Endowment net assets, end of year	<u>\$ 30,000,000</u>	<u>\$ 1,175,807</u>	<u>\$ 31,175,807</u>

**Native American Rights Fund, Inc.**  
**Notes to Financial Statements**  
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NARF has adopted investment and spending policies for endowment assets that attempt to invest all available endowment fund assets in a manner that will provide the highest total return while seeking to provide for the long- and short-term financial needs of NARF and maintain the original donated value of the endowment. Endowment assets include donor-restricted endowment funds NARF must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds.

Under NARF's policies, endowment assets are invested in a manner that is intended to produce results that are comparable to or exceed the appropriate benchmarks for the asset categories.

To satisfy its long-term rate of return objectives, NARF relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). NARF targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

NARF has a spending policy of appropriating for expenditure each year the amounts needed and available for spending. NARF has interpreted that investment return generated by the endowment assets are without donor restriction in accordance with donor stipulations. Under NARF's spending policy, any anticipated investment return from the endowment is included in NARF's internal budgeting process and fully appropriated for spending upon adoption of the budget.

As the proceeds from endowment earnings have historically been without donor restriction, management has not allocated the earnings between those earned by endowment funds and other investments. As such, management has not included investment return in the tables above.

***Underwater Endowments***

The governing body of NARF has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contribution to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, NARF considers a fund to be underwater if the fair value of the fund is less than the sum of:

- a) the original value of initial and subsequent gift amounts donated to the fund, and
- b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

NARF has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law, however no funds were underwater at September 30, 2025 or 2024.

## **Note 10. Retirement Benefits**

On August 6, 1994, NARF's Board of Directors authorized the adoption of a non-contributory defined contribution plan for its employees. Effective March 18, 2005, this plan was amended to a Safe Harbor 401(k). Benefits payable under the plan include a 3% minimum safe harbor contribution plus an additional election of 3%, at the yearly discretion of the corporate officers, for those employees who have achieved a minimum of one year of employment and attainment of age 21. Pension expense was \$509,470 and \$472,933 for 2025 and 2024, respectively.

On August 17, 2007, NARF's executive committee authorized the adoption of the NARF Retirement Program. This program provides a one-time cash award payable at the date of retirement for eligible employees. The amount of this award is determined by incorporating years of service, age and average three-year salary. As of September 30, 2025 and 2024, NARF recognized a liability of \$390,619 and \$341,544, respectively, relating to this program.

## **Note 11. Allocation of Joint Costs**

It is NARF's policy to allocate costs of activities that include requests for contributions, as well as program and management and general components to applicable functions. Activities include distribution of informational materials that included fundraising appeals. In 2024, such activities included program communications included with requests for contributions. As a result, the cost of these activities were allocated between fundraising and programmatic as noted below. In 2025, no such joint activities were performed.

	<u>2025</u>	<u>2024</u>
Program expenses	\$ -	\$ 408,042
Fundraising expenses	-	757,792
	<u>\$ -</u>	<u>\$ 1,165,834</u>

## **Note 12. Significant Estimates and Concentrations**

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

### ***Investments***

NARF invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

### ***Concentrations***

During 2025, three donors contributed approximately 25% of total contribution revenue and during 2024, three donors contributed approximately 30% of total contribution revenue.