



AMERICAN
INDIAN
COLLEGE
FUND



2010 - 2011
Annual Report



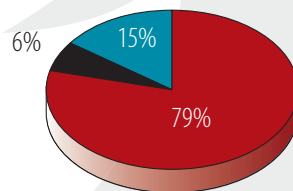
AMERICAN
INDIAN
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Our Mission

The American Indian College Fund transforms Indian higher education by funding and creating awareness of the unique, community-based accredited tribal colleges and universities, offering students access to knowledge, skills, and cultural values which enhance their communities and the country as a whole.

How Your Donations Are Used

- Fulfilling Our Mission: Scholarships, Programs, and Public Education
- Fundraising
- Mgmt. & General



* Percentages are based on average expenses over the past five years.

Our Commitment to You

The Fund is committed to accountability. We consistently receive top ratings from independent charity evaluators.

- We earned the “Best in America Seal of Excellence” from the Independent Charities of America. Of the one million charities operating in the United States, fewer than 2,000 organizations have been awarded this seal.
- The Fund meets the Standards for Charity Accountability of the Better Business Bureau’s Wise Giving Alliance.
- The Fund received an A- rating from the American Institute on Philanthropy.
- The Fund received four stars from Charity Navigator.

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Message from the Chair



As President of Fort Peck Community College in Montana, I have worked for tribal colleges for more than 38 years. I have been involved with the American Indian College Fund (the Fund), which has grown into the largest scholarship provider for tribal college students in the United States, since its beginning in 1989.

The Fund consistently provides a picture of American Indians' vibrantly alive cultures. Tribal colleges and universities (TCUs) are unique institutions integral to preserving those cultures. They are mostly located on rural, remote Indian reservations and provide people with an opportunity for education.

TCUs educate more than 61,000 American Indian students in academic and community education programs. Tribal schools, businesses, governments, health service units and countless businesses employ graduates who vastly improve their products and services.

The TCUs are also intellectual centers for the Indian nations that they serve. They write their peoples' histories; promote language revitalization and preservation, health and wellness, business and economic development; and conduct research and environmental studies essential to preserving tribal lands. Tribal colleges are a light of hope for their people. They encourage Native people to be who they are, but also to walk with pride and confidence in the modern world.

An educated and trained workforce is critical for our country's future and young adults' success. The Lumina Foundation has set a national goal to increase the percentage of Americans with degrees and credentials to 60% by the year 2025. Tribal colleges support this goal and despite meager resources due to limited federal funding, are moving forward to meet it. Student financial aid is essential.

The Fund depends on generous contributions to meet our goals. The scholarships for students at Fort Peck Community College make the difference between whether a student attends college or not. As I end this year as Chair of the Board of Trustees for the American Indian College Fund, I greatly appreciate our supporters and the Fund's hard work that makes the difference in our students' academic lives, careers, and futures.

Pinamaya (Thank you),

Dr. James Shanley

Message from the President



The American Indian College Fund (the Fund) is committed to conducting its operations in the Indian way. To help guide us, we use a leadership medicine wheel with respect at the center. Matthew King, a Lakota leader and philosopher once said, "Respect is the first law of Indian people." That concept promotes a

way of living and interacting with all things: animals, the earth, our fellow colleagues, tribal college faculty, staff, students, and American Indian communities.

In each direction of the medicine wheel lay other critical leadership values, beginning with relationships. By showing respect, the first law and value, one builds the foundation for relationships.

In the next direction on the medicine wheel is responsibility. The Fund is responsible for the hard work and the follow-up to ensure our students' and tribal colleges' success.

To do our work well, we use reasoning skills by listening, gathering necessary data, and using analysis to guide us.

Finally, reciprocity is critical to our success and enables us to give back to our communities to enable the success of those that we serve.

One of my grandmothers said, "It is not easy to be an Indian. If you want to be an Indian it is the hardest way to live." Walking a path that embodies these five Indian values may be difficult, however we see it as the only sustainable way to run the Fund. We embrace these values, possess a well-rounded education, are blessed with good hearts, are willing to sacrifice, and can make tough decisions in the best interest of our communities. Although we are not perfect, we have succeeded because we adhere to the Indian way. This past year we were blessed with continued growth and we look forward to setting even deeper roots because of these values and the generosity of our donors who share them. *Pilamiya* (thank you).

Ocankuye Wasté Yelo (In a good way),

Richard B. Williams

American Indian College Fund

2010-2011

Governing Board of Trustees



Left: The 2010-2011 American Indian College Fund Board of Trustees

Above: Dr. Cynthia Lindquist, president of Cankdeska Cikana Community College and Dr. David Gipp, president of United Tribes Technical College, at a powwow.

Chair:

Dr. James Shanley
President
Fort Peck Community College

Vice Chair:

Dr. Elmer Guy
President
Navajo Technical College

Past Chair:

Dr. Richard Littlebear
President
Chief Dull Knife College

Member At Large:

Arthur "Chuck" Hensley
Retired
Merrill Lynch & Co., Inc.

Member At Large:

Barbara Gohr
Retired
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Kimberly Blanchard

Partner
Weil, Gotshal & Manges, LLP

Dr. Verna Fowler

President
College of Menominee Nation

Carla Fredericks

Partner
Milberg, LLP

Dr. David M. Gipp

President
United Tribes Technical College

Daniel "Pancho" Gutstein

Director of Strategic Planning
PUMA N.A.

Brian C. McK. Henderson

Senior Advisor
Espírito Santo Financial Group S.A.

David Kennedy

Co-Founder
Wieden+Kennedy

Dr. Cynthia Lindquist

President
Cankdeska Cikana Community College

Dr. Micheal Oltrogge

President
Nebraska Indian Community College

Dr. Robert Martin

President
Institute of American Indian Arts

David W. Rogers

Retired
Cargill, Inc.

Dr. Laurel Vermillion

President
Sitting Bull College

Liesl Wilke

Author

Dr. David Yarlott, Jr.

President
Little Big Horn College

Scholarships

Total dollar amount of scholarships awarded 2010-11 – \$4,878,998*

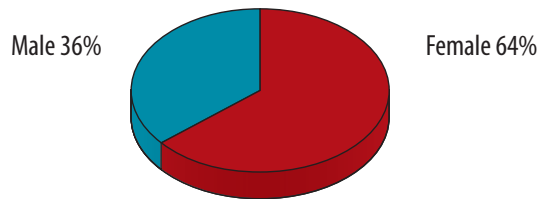
*The American Indian College Fund has awarded nearly 83,000 scholarships since its founding in 1989.

Number of scholarship recipients – 3,529

Total number of scholarship awards – 6,410

Average total scholarship award per recipient – \$1,383

Gender of scholarships recipients:



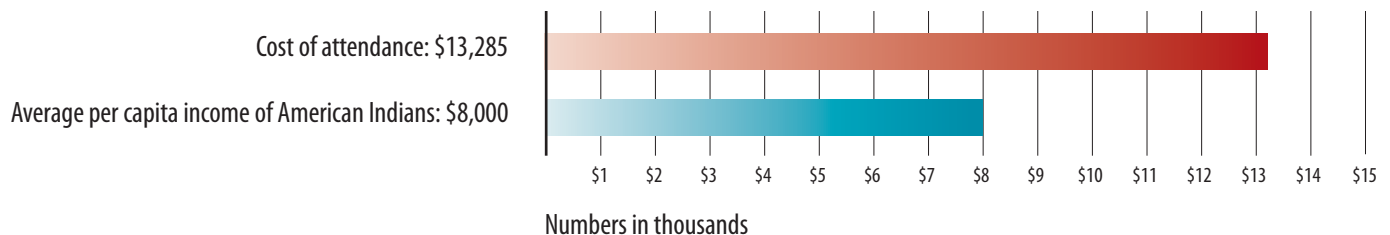
Top majors of scholarships recipients:

- Business
- Health-related fields (i.e. Nursing, Nutrition, Pre-Medicine, etc.)
- Science, Technology, Engineering, and Mathematics (STEM) fields
- Liberal Arts
- Education

The Need for Scholarships

High levels of poverty amongst American Indians often make a college education unattainable. The average cost of attendance at a tribal college is \$13,285 for 2010-11 (including tuition, room, board, transportation, and books, averaged across institutions. *Source: American Indian Higher Education Consortium*). This contrasts with the low average per capita income on an Indian reservation of \$8,000 (*Source: U.S. Census Bureau*).

The poverty rate amongst American Indians was 47% on reservations (*Source: U.S. Census Bureau*), the highest of any racial or ethnic group in America, and on some Indian reservations poverty rates reached as high as 60%. The hardship of paying for a college education when faced with poverty is even greater when one considers that 58% of our scholarship recipients have dependents. With your help, the American Indian College Fund works to improve our students' lives and end poverty through education.



American Indian College Fund Staff Highlight

Nick Swan is a man who has come full-circle in life. Nick grew up in Rapid City, South Dakota, and although a talented artist, he struggled in high school to find his path. There he dropped out of school twice before he started thinking about attending a tribal college.

After taking and passing his GED test with flying colors, Nick thought about enrolling at the Institute of American Indian Arts (IAIA) in Santa Fe, New Mexico. But Nick's brother was attending Haskell Indian Junior College (now

Nick Swan

(Itazipico Lakota, enrolled member of Cheyenne River Sioux tribe)



Haskell Indian Nations University) in Lawrence, Kansas and asked Nick to join him there for a semester to try it out. Thanks to the support of his brother and the people he met at school, "That first semester at Haskell was a break-out for me," Nick said. "I won a lot of awards and a lot fell into my lap."

Nick was elected student president for the American Indian Higher Education Consortium (AIHEC) and was selected as the first Mr. AIHEC, an award that included a scholarship. Nick, who had enrolled in remedial courses his first semester to get up to speed to the demands of college, quickly surpassed them and was selected to represent Haskell on the Knowledge Bowl team at the AIHEC Student Conference that year.

Nick credits the faculty and staff at Haskell for his success, including Dr. Robert Martin, then-Haskell president (and

current president at IAIA). "For some reason they singled me out. Being the seasoned professionals that they are, they could tell I was going to excel. They loaded me up," he said.

As a result of his involvement in activities at Haskell, Nick attended conferences across the country. "Haskell opened so many doors for me. Once I graduated [with an associate's degree in Native American studies] I took a few years off. Once I got back into school at the University of South Dakota, I met another amazing group of Native American higher education mentors," he said.

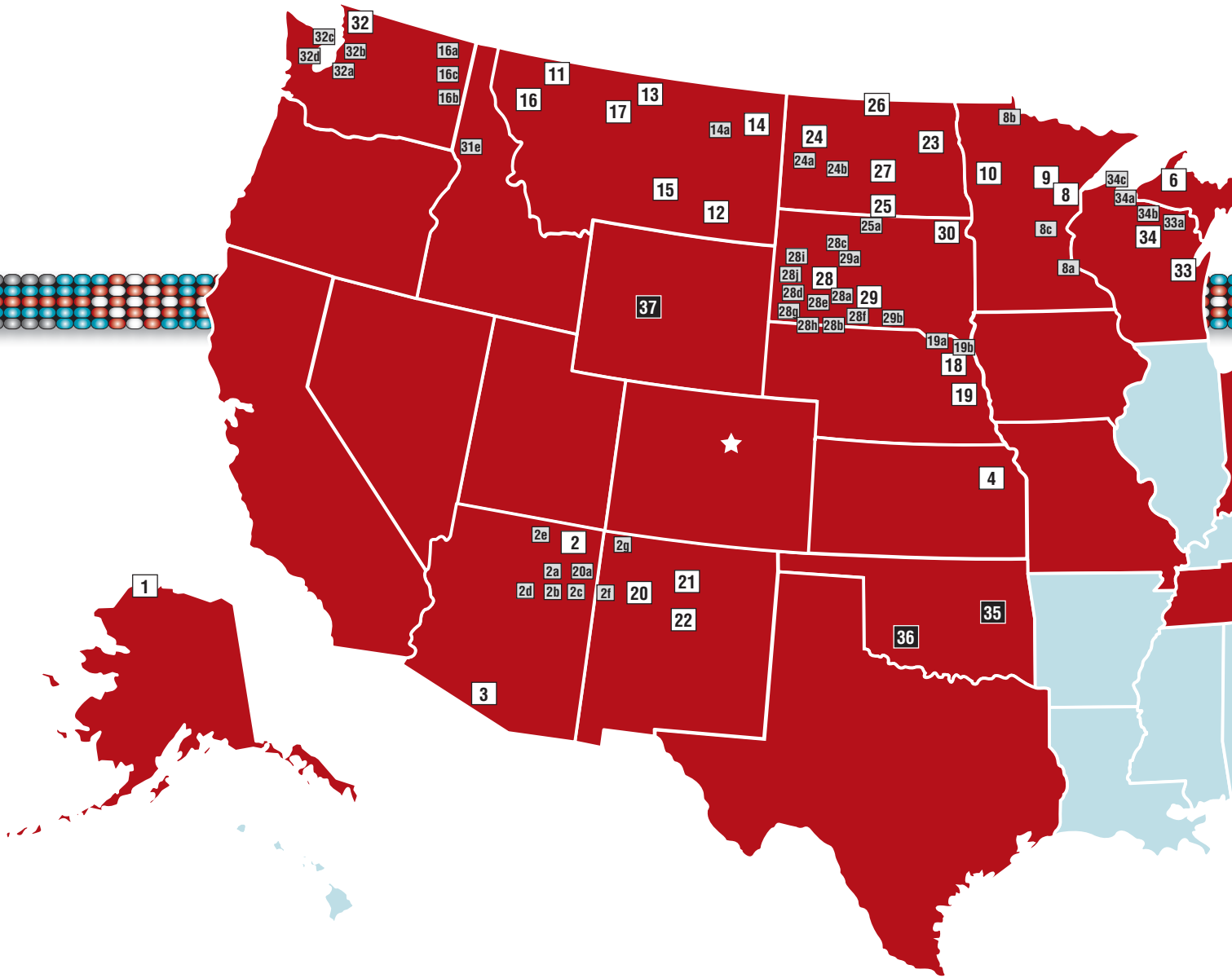
After graduating from the University of South Dakota with a bachelor's degree in psychology, Nick said, "I worked for tribes in construction for awhile. When I heard the American Indian College Fund had openings, I applied. I had always known about the Fund, what it did and what it meant, and was always very proud of watching its impact on Indian Country. I dreamed of working here in a way that would have real impact on our students and our communities."

Nick says of his role as a major gifts and planned giving development officer, "You don't have any choice but to succeed at the Fund; the organization literally is built for success. It is very careful of who it brings on board because of the importance of its mission. In a way, getting involved with the tribal colleges was the antidote to

the dilemma of what to do with my life. It is part of my spiritual commitment to put my time and energy into serving Indian Country."

Nick's Lakota name, given to him by Dr. Wayne Evans, a retired professor from the Native American Education Department of University of South Dakota, the Drum Keeper for the Oyate Singers, a traditional Native American drum group, and long-time spiritual leader in the Wase Wakpa Sundance Society, is *Hehaka Ite Wakan*, which means Sacred Elk Face.

Tribal Colleges and Universities Map



MEMBER TRIBAL COLLEGES

Alaska

- 1 **Ilisagvik College**
Barrow, AK

Arizona

- 2 **Diné College**
Tsaile, AZ
- 2a Chinle, AZ
- 2b Ganado, AZ
- 2c Window Rock, AZ
- 2d Tuba City, AZ
- 2e Kayenta, AZ
- 2f Crownpoint, NM
- 2g Shiprock, NM

- 3 **Tohono O'odham Community College**
Sells, AZ

Kansas

- 4 **Haskell Indian Nations University**
Lawrence, KS

Michigan

- 5 **Bay Mills Community College**
Brimley, MI
- 6 **Keweenaw Bay Ojibwa Community College**
Baraga, MI

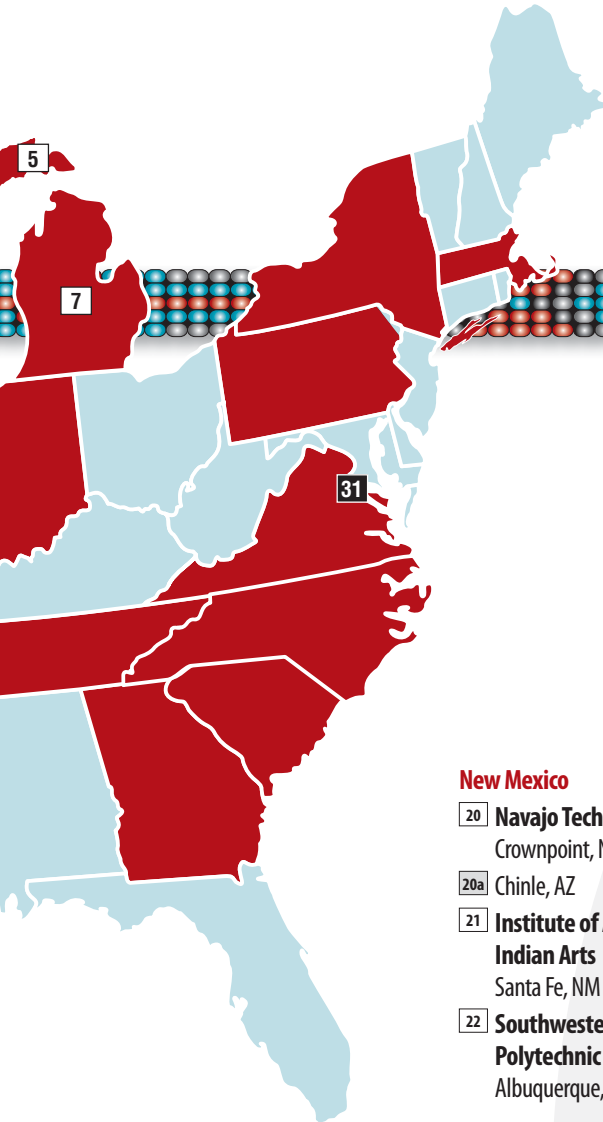
- 7 **Saginaw Chippewa Tribal College**
Mount Pleasant, MI

Minnesota

- 8 **Fond du Lac Tribal and Community College**
Cloquet, MN
- 8a Minneapolis, MN
- 8b Red Lake, MN
- 8c Onamia, MN
- 9 **Leech Lake Tribal College**
Cass Lake, MN
- 10 **White Earth Tribal and Community College**
Mahnomen, MN

Montana

- 11 **Blackfeet Community College**
Browning, MT
- 12 **Chief Dull Knife College**
Lame Deer, MT
- 13 **Aaniiih Nakoda College**
Harlem, MT
- 14 **Fort Peck Community College**
Poplar, MT
- 14a Wolf Point, MT
- 15 **Little Big Horn College**
Crow Agency, MT



In 2010-11 the American Indian College Fund provided scholarships to students in states shaded in red.

- 16 Salish Kootenai College**
Pablo, MT
- 16a** Colville, WA
- 16b** Spokane, WA
- 16c** Wellpinit, WA
- 17 Stone Child College**
Box Elder, MT

Nebraska

- 18 Little Priest Tribal College**
Winnebago, NE
- 19 Nebraska Indian Community College**
Macy, NE
- 19a** Niobrara, NE
- 19b** South Sioux City, NE

New Mexico

- 20 Navajo Technical College**
Crownpoint, NM
- 20a** Chinle, AZ
- 21 Institute of American Indian Arts**
Santa Fe, NM
- 22 Southwestern Indian Polytechnic Institute**
Albuquerque, NM

North Dakota

- 23 Cankdeska Cikana Community College**
Fort Totten, ND
- 24 Fort Berthold Community College**
New Town, ND
- 24a** Mandaree, ND
- 24b** White Shield, ND
- 25 Sitting Bull College**
Fort Yates, ND
- 25a** McLaughlin, SD
- 26 Turtle Mountain Community College**
Belcourt, ND
- 27 United Tribes Technical College**
Bismarck, ND

South Dakota

- 28 Oglala Lakota College**
Kyle, SD
- 28a** Allen, SD
- 28b** East Wakpamni, SD
- 28c** Eagle Butte, SD
- 28d** Manderson, SD
- 28e** Porcupine, SD
- 28f** Martin, SD
- 28g** Oglala, SD
- 28h** Pine Ridge, SD
- 28i** Wambli, SD
- 28j** Rapid City, SD
- 29 Sinte Gleska University**
Mission, SD
- 29a** Lower Brule, SD
- 29b** Marty, SD
- 30 Sisseton Wahpeton College**
Sisseton, SD

Virginia

- 31 American Indian Higher Education Consortium**
Alexandria, VA

Washington

- 32 Northwest Indian College**
Bellingham, WA
- 32a** Auburn, WA
- 32b** Tulalip, WA
- 32c** La Conner, WA
- 32d** Kingston, WA
- 32e** Lapwai, ID

Wisconsin

- 33 College of Menominee Nation**
Keshena, WI
- 33a** Oneida, WI
- 34 Lac Courte Oreilles Ojibwa Community College**
Hayward, WI
- 34a** Odanah, WI
- 34b** Lac du Flambeau, WI
- 34c** Bayfield, WI
- 34d** Hertel, WI

AIHEC ASSOCIATE MEMBERS

Oklahoma

- 35 College of the Muscogee Nation**
Okmulgee, OK
- 36 Comanche Nation College**
Lawton, OK

Wyoming

- 37 Wind River Tribal College**
Ethete, WY

★ **American Indian College Fund**

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www.collegefund.org

Meet Our Students

Iva Croff (Blackfeet)



When you give to the American Indian College Fund, you may be helping a student like Iva Croff.

Iva graduated this spring from Blackfeet Community College on the Blackfeet Reservation, where she has lived nearly all her life. She was her class salutatorian and graduated with honors and an associate's degree in Blackfeet language and Blackfeet Studies. Iva had postponed going to college for 22 years because of the demands of raising a family and working for her tribe.

But Iva has been in love with the Blackfeet language even longer than her husband. Iva first became interested in learning it when she listened to her grandparents speaking as a young child. "Hearing my Native language spoken filled me with wonder," she said, and as Iva watched her tribal elders pass on, she realized the Blackfeet language and culture was slowly dying with them. Iva decided she wanted a career teaching the Blackfeet language to preserve it and her culture.

Iva hit a bump in the road in 2003 when she lost her best friend and co-worker of 20 years to cancer. Shortly thereafter, Iva got help for a nervous breakdown and slowly recovered.

A year later, Iva felt ready to jump back into pursuing her goals. She attended a program at Blackfeet Community

College to learn about financial aid and college, and that fall enrolled in classes for a one-year certificate program to learn how to drive and operate heavy equipment. She saw the program as a stepping stone to ensuring a summer income to pay the bills so she could enroll in Blackfeet Language Studies at the college in the fall.

By then, Iva's two oldest children were in college. "I thought I had financial worries when I worked full-time, but that was nothing compared to what was staring me in the face."

Iva said her American Indian College Fund scholarships were a blessing. "When I picked up the check at the college business office, I started crying. I almost made the gal at the business office start to cry," she said.

Iva said, "Other than my family, I haven't had anyone believe in me so much... thanks to the College Fund, I don't think the word difficult was even part of my vocabulary during the past three years." She added, "American Indian College Fund donors are angels on earth, giving struggling people the opportunity to rise up out of poverty, hold their heads high on graduation day, and demonstrate to others that the success rate for American Indian college graduates can and will increase. You have no idea what it feels like to have someone I don't even know contribute to the realization of my dream... Your investment in people like me has a ripple effect on the Blackfeet people, because those are the people who will benefit from my education."

Iva plans to continue her education at the University of Montana in Native studies and then return to her reservation to teach.

Between 1980-1990 overall poverty rates grew 22% more on reservations without tribal colleges.

Source: Tribal College Contributions to Economic Development 2000 Report.

Donors Helping Students to Help Their Tribes



Left: Karen King, center, at United Health Diverse Scholars Forum. Right: Karen King, left, on the steps of the U.S. Capitol.

her bachelor's degree. The United Health Foundation's Diverse Scholars program provides scholarships and program opportunities for American Indian students who are committed to improving the health of their communities by closing the health disparities gap through culturally competent health care delivery.

The National Cancer Institute research notes that American Indians suffer disproportionately from cancer and its adverse affects. Karen King (Navajo) knows that firsthand. Karen lost her mother to the disease and later fought it herself. But cancer didn't defeat Karen, it merely hardened her resolve to achieve her childhood dream to become a nurse and help her people. Thanks to the United Health Foundation, Karen is doing just that.

Karen said her mother was her inspiration. Her mother was one of 16 children and had lost many of her siblings at birth or at a young age "because health care wasn't like it is today," Karen said. As a young woman, her mother was widowed with two children after her arranged Navajo marriage. She later met Karen's father and had Karen and her five siblings. Her father left when Karen was two, and Karen's mother, who only spoke Navajo, raised the family alone while struggling to navigate the English-speaking world. She told her daughter she didn't want her to struggle like she had done. "She wanted me to go to high school and beyond. She saw into the future and what it can hold with an education and what it could do," Karen said.

Her own battle with cancer cemented Karen's ambition to become a nurse. "I became stronger. I look at it as a small chapter in my life," Karen said. Her four children and husband have been supportive of her education. As a United Health Foundation Tribal Scholar, Karen is now finishing her final semester at Diné College while taking coursework at Northern Arizona University towards

Kate Rubin, President of the United Health Foundation, said, "Research shows that when patients receive care from those who share their language, culture and ethnicity, they are more likely to accept and receive medical treatment. United Health Foundation is committed to developing tomorrow's health care workforce and ensuring that diverse communities have access to quality, culturally competent care. By partnering with the American Indian College Fund, we are encouraging Native American students to continue their education and become health care professionals who will help expand and enhance health care services, particularly in underserved communities."

Karen and her cohorts participated in health care discussions with leading health care policy experts and met with members of Congress to discuss improving access to economically sustainable quality care for the private sector and government; incorporating cultural competency in health care delivery; caring for an aging population with chronic care needs; and ensuring a pipeline of health care professionals to keep pace with chronic disease-related health care needs.

Forty-seven percent of American Indian/Alaska Native families living on Indian lands live in poverty.

Source: *Status and Trends in the Education of American Indians and Alaska Natives, 2008.*

Four Tribal Colleges Receive \$800,000 for Four-Year Early Childhood Education Programs



Southwestern Polytechnic Institute in New Mexico is one of four tribal colleges which will participate in the four-year early childhood education program.

Despite significant improvements in American Indian education, Native students continue to suffer from low expectations, high drop-out rates, and low academic achievement. To tackle this achievement gap and combat racial inequity, early childhood education is vital for planting the seeds of success for Native children.

Tribal colleges are perfectly situated to bridge early childhood education programs with K-3 education in Indian communities by providing opportunities to share best practices and fostering improved collaboration amongst early childhood stakeholders.

The W.K. Kellogg Foundation has granted the American Indian College Fund \$5 million to administer and fund four early childhood education projects under its 2011 *Wakanyeya* “Sacred Little Ones” Early Childhood Education Initiative.

The *Wakanyeya* “Sacred Little Ones” Initiative addresses structural barriers that inhibit educational success for Indian children by integrating and building on traditional teaching ways rooted in the home and community. By incorporating culture and Native language into innovative best practices, children in the program will gain a strong sense of self and affirm their cultural identity, leading to greater academic success. The program design allows for family support, participation, and civic engagement with an emphasis on multigenerational learning, with family

and community members empowered to become agents of change in their children’s education to allow them to succeed.

Under the initiative, four tribal colleges were selected through a competitive process to be awarded up to \$800,000 over four years to improve young Native students’ skill acquisition; prepare them for grades K-12 and post-secondary education; improve the quality of early childhood teachers in Native communities through partnership opportunities with post-secondary teacher training programs at the tribal colleges; bridge early childhood and K-3 education; integrate Native language and culture into early childhood curriculum; and empower Native families and communities as change agents in education for their children.

Participating tribal colleges include the College of Menominee Nation in Keshena, Wisconsin; Ilisagvik College in Barrow, Alaska; Northwest Indian College in Bellingham, Washington; and Southwestern Indian Polytechnic Institute in Albuquerque, New Mexico.

The College of Menominee Nation’s project is one example of the quality education access for young children that the American Indian College Fund seeks to strengthen through the *Wakanyeya* “Sacred Little Ones” Early Childhood Education Initiative.

The College of Menominee Nation’s program was selected for its plan to develop an early childhood instruction



Left: Ruth Pyatskowitz of College of Menominee Nation.

Above: *Wakanyeya* "Sacred Little Ones" Early Childhood Education Initiative award recipients.

model to enable disadvantaged low-income students to gain academic skills, motivation, support, and the confidence necessary to succeed in elementary education. The program will serve 300 children annually while enhancing teacher training quality.

According to Ruth Pyatskowitz, Project Director, the funding will allow the program to make important changes in early childhood curriculum by bringing parents into the project as full partners. The program is designed to infuse language and culturally appropriate activities into the existing curriculum to "bring an extra and very important layer of [Menominee] language and culture to early childhood curriculum."

As the College of Menominee Nation develops curriculum for early childhood classrooms, Pyatskowitz said the teachers will have culturally appropriate materials at hand to teach the lessons.

Pyatskowitz said, "The whole love of teaching is seeing someone learning. It is important for kids to see where their own learning is, and bringing in their parents and community into that learning."

Tribal colleges are fully accredited academic institutions which must meet the same rigorous academic standards as other colleges and universities in their states. They provide cultural knowledge and instruction in addition to traditional college coursework.

Alfred P. Sloan Foundation Pledges \$300,000 Over Three Years to American Indian College Fund for Tribal College Faculty Fellowships in STEM Fields

The Alfred P. Sloan Foundation granted an additional \$300,000 over the next three years to the American Indian College Fund (the Fund) for expansion of the Sloan STEM Leadership Fellowship Program. The purpose of the grant is to provide funding to tribal college faculty currently pursuing advanced degrees in science, technology, engineering, or mathematics (STEM) fields in order to enhance the educational atmosphere at the tribal colleges. The program expansion allows the Fund to award master's degree fellowships to tribal college faculty for the first time.

The Fund will award two fellowships per year over the course of the three-year period for a total of six fellowships.

Alfred P. Sloan Foundation Program Director Elizabeth S. Boylan said, "Completion of a graduate degree is a key step in faculty development. The Foundation is excited to partner with the American Indian College Fund in its important efforts to support promising STEM faculty at tribal colleges, efforts that will, in turn, provide benefits to both the faculty and their students."

The Embrey Family Foundation Women's Leadership Project



From left: Charlene Healy, Christina Flansburg, and Jessica Rae Long Knife.

Imagine growing up in poverty with no hope and no expectations for escaping it, surrounded by friends and family who lose themselves to drug and alcohol abuse as you attempt to hold your family together. For three women from Aaniiih Nakoda College (ANC) in Montana juggling responsibilities for family members while attempting to meet their academic and career goals, this was reality. Alone it was hard, but together they found it to be much easier.

Charlene Healy (Assiniboine), Christina Flansburg (Gros Ventre), and Jessica Rae Long Knife (San Carlos Apache) shared secrets, helped each other with homework, and graduated together at the top of their class. Committed to the idea that Montana should recognize the contributions of Natives and their heritage, they worked together with the help of their high school government teacher and a state senator on Montana Senate Bill 196 to secure its passage. Thanks in part to their advocacy, Native American Heritage Day is now recognized by the state.

Their collective spirit propelled them to work as leaders in their communities, catching the eye of administrators and faculty at ANC, who recommended that they be considered for the American Indian College Fund's Embrey American Indian Women's Leadership Project in 2010.

Christina, who was the valedictorian of Hays Lodgepole High School, wanted to be a doctor from a young age, even more so after her father underwent numerous medical procedures. Charlene, the first in her family to graduate from high school, is the youngest of her siblings but is seen as the authority figure in her family as a result of succeeding while growing up in an alcoholic and abusive environment. Jessica, a former National Honors Society scholar, head cheerleader, and Little League baseball coach, is the eldest of three siblings who served as the parent figure when her parents were incapacitated due to alcoholism.

The three women shared that many people in their families and communities did not believe they could succeed in college. They cited low achievement rates among other women on the reservation and peer pressures compounded by family issues. But they are not giving up. “I believe we are motivated to go for our dreams no matter what,” Charlene said. “We are determined because we see peers in our Indian community not making great choices. They turn to drugs, alcohol, get pregnant as teens, and it is hard to go back. I want to break that cycle and be looked up to as a good role model.”

Although as young girls they dreamed of moving off the reservation and out of state, they chose to stay at home and enroll at ANC while attending to family responsibilities. The women became even closer in college. Today their leadership journey continues as they work together as cohorts in the Embrey American Indian Women’s Leadership Project.

The program, created by the Dallas, Texas-based Embrey Family Foundation awarded the American Indian College Fund a \$1 million grant over a four-year period to provide 20 scholarships and leadership training for American Indian women pursuing their bachelor’s degrees.

Six tribal colleges were selected to participate based on the strength of their women leaders, the diversity of their academic programs, and the regions they represent. They include Cankdeska Cikana Community College (North Dakota); College of Menominee Nation (Wisconsin); Aaniiih Nakoda College (Montana); Northwest Indian College (Washington); Sitting Bull College (North Dakota); and Southwestern Indian Polytechnic Institute (New Mexico).

The Embrey Family Foundation was established by J. Lindsay Embrey, who believed that education helps people increase their ability to be economically self-sufficient and prosperous. Gayle Embrey, the Vice President of the Embrey Family Foundation said, “This grant will help create a new generation of Native women who will strengthen their communities and enhance the opportunities for all of their people for a more prosperous future.”

“The Embrey Family Foundation is not only helping to educate the next generation of Native women leaders, but is also ensuring subsequent generations of educated Native leaders by instilling the value of education and leadership while helping to end the cycle of poverty,” said Lauren Embrey, President of the Embrey Family Foundation.

Christina, Charlene, and Jessica have found the program is doing just that. They have come together like sisters to help each other succeed.

Knowing they are not alone is half the battle. “I learned so much from them,” Jessica said of Christina and Charlene. “I used to believe I was the only one going through struggles and I am relieved to have someone who actually understands.”

The three women graduated from Aaniiih Nakoda College with degrees in allied health and entered four-year universities this fall to complete their bachelor’s degrees while continuing their work in the Women’s Leadership Project. They will be given the resources in the project to develop skills in community organizing, financial literacy, professional work skills, and understanding the legal relationship between the federal government and Indian country in order to succeed as leaders in their communities after they graduate.



From left: Jessica Rae Long Knife, Charlene Healy, and Christina Flansburg.

More than 60% of American Indian College Fund scholarship recipients are women.

Source: American Indian College Fund data, 2011.

Special Events



Left: Television journalist Hattie Kauffman was honored at the 2010 Flame of Hope Gala.

Right: David Kennedy of Wieden+Kennedy poses with Albert Red Bear, Jr., wearing the hand-beaded vest that Red Bear presented to him.



Annual Flame of Hope Gala

For 15 years, the American Indian College Fund's Flame of Hope Gala has raised money for scholarships and tribal college support. The 2010 event, held at the Denver Center of the Performing Arts on October 14, raised \$385,000 for scholarships.

Hattie Kauffman of CBS served as the Mistress of Ceremonies. The rock band Big Head Todd and the Monsters entertained the crowd.

The Andrew W. Mellon Foundation was honored for establishing two faculty development programs with the American Indian College Fund. The Andrew W. Mellon Foundation Faculty Research Program provides funds for tribal college faculty members to conduct research and write a research paper during a one-year fellowship and The Andrew W. Mellon Foundation Faculty Career Enhancement Program offers one-year fellowships for tribal college faculty to obtain a terminal degree.

Portland and New York Events

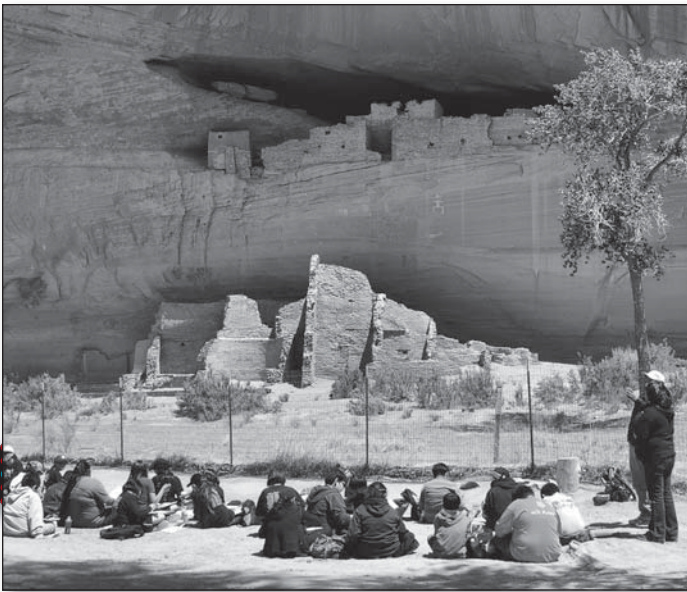
Regional events were held in Portland, Oregon, in April and in New York City in May to honor Fund member and 20-year supporter David Kennedy, co-founder of the Fund's longtime advertising partner Wieden+Kennedy.

In Portland, Albert Red Bear, Jr., (Oglala Lakota and Wahjaja) presented David Kennedy with a vest that he hand-beaded depicting Kennedy's service and telling the stories of Native students and tribal colleges. The images on the vest represent Kennedy's leadership and accomplishments.

In New York, attendees enjoyed entertainment by Martha Redbone, a retrospective of the Fund's advertising campaigns produced by Wieden+Kennedy over the years, and a Native art auction. David Kennedy was also honored in the traditional Native way by being wrapped in an American Indian College Fund Pendleton blanket.

Tribal colleges operate 75 campuses in states where the majority of Indian lands are located. They provide access to higher education for those who cannot move in order to attend college.

Source: American Indian College Fund Data, 2011.



Left: Tribal college tour attendees at Canyon de Chelly National Monument in Arizona.

Right: Tribal college tour attendees in South Dakota.

College alumnus Stephen Yellowhawk. Visits included Oglala Lakota College Extension Campus in Rapid City, Sinte Gleska University on the Rosebud Reservation, Oglala Lakota College main campus, Badlands National Park, Wounded Knee Creek, Custer State Park, and Mount Rushmore National Memorial. Highlights included touring the elementary school where Yellowhawk teaches; a bumpy ride through prairie grasses to visit Sinte Gleska University's buffalo herd; and hearing the stories and history of the Great Plains from the Indian perspective.



Tribal College Tours Give Up-Close Look at Fund's Work

Friends of the Fund ventured to South Dakota and the desert Southwest to see the majesty of Indian Country, meet tribal college students, and witness the miracles that tribal colleges are performing.

In South Dakota, attendees enjoyed the high prairies in early autumn and a guided tour by American Indian College Fund Scholarship recipient and Oglala Lakota

Southwest tour participants traveled to the Southwestern Indian Polytechnic Institute (SIPI) and the Institute of American Indian Arts (IAIA) in New Mexico and Navajo Technical College and Diné College on the Navajo Reservation. Highlights included a demonstration of Navajo Technical College's Culinary Arts students' skills, a traditional Navajo dinner prepared by Diné College staff, IAIA's commencement activities, a tour of SIPI's on-site day care facility and science and technology building, and visits to the historic and dramatic Canyon de Chelly National Monument and Ute Mountain Tribal Park.

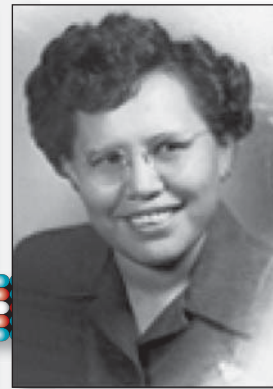
Event sponsors contributing \$1,000 or more include:

- | | | | |
|---|-----------------------------------|--|---------------------------------|
| Gala: | Jenzabar, Inc. | Saginaw Chippewa Indian Tribe | New York Event: |
| Allstate Insurance | Lannan Foundation | of Michigan | American Electric Power |
| Amergent | Lumina Foundation for Education | San Manuel Band of Mission Indians | Goldman Sachs Foundation |
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| Kimberly S. Blanchard | Native American Bank, N.A. | Sycuan Band of Kumeyaay Nation | Morgan Stanley Smith Barney LLC |
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| CBS Television Network Sales | Barbara Newborg | UPS Foundation | Precise Resource, Inc. |
| Coca Cola Foundation | Nissan North America, Inc. | USA Funds | Ramscale, Inc. |
| CollegeBoard | Oneida Nation Foundation | Watershed Investment Consultants, Inc. | USA Funds |
| ExxonMobil Foundation | Peskoff Foundation | Wells Fargo | Portland Event: |
| Ford Motor Company | REDW The Rogoff Firm | Wieden+Kennedy-Portland | Wieden+Kennedy |
| Fredericks, Peebles & Morgan | Mike Robinson | Liesl and Jeffrey Wilke | |
| IBM | Robert Ross | | |

Honoring a Loved One Through A Legacy Gift

When Flora Sombrero Lind (Navajo), a longtime family icon of the Many Goats clan passed on, her daughter Neeta Lind thought the perfect way to honor her would be to donate a portion of her inheritance along with contributions from friends and family to an organization that her mother would really get behind. The American Indian College Fund came to mind, Neeta said, because she and her husband were longtime donors to the Fund and believe in the importance of education.

a Navajo man. They had two sons, Harry Jr. and Tommy Ray. Harry Jr. died as an infant and Flora's husband was killed when Tommy was a baby. Soon after her husband's death, Flora joined the Church of Latter Day Saints. She went on to complete a two-year mission with the Zuni people. She met her future husband Rulon Lind after he wrote to her after reading about her mission in the newspaper. They married the following year. Mr. Lind adopted Tommy and the Linds had four more children: Neeta, Spencer, Nathan, and Naomi.



To see a tribute Nita Lind wrote for her mother on her blog, go to nativeamericannetroots.net

Flora Sombrero was born in Inscription House, Arizona on the Navajo Reservation around 1923, one of 11 children born to a medicine man and his wife. She was raised traditionally in a hogan. In the 1930s, the federal government sent trucks to the reservation to take children to boarding school. "It was the program set up to rob us of our culture," Neeta said, overcome with emotion. "My grandmother knew they were coming and hid five of her children in the canyon and gave up the other half." Neeta's mother was torn from the tranquil surroundings of canyons and her large, loving family to enter kindergarten in Tuba City, Arizona, where she was "forbidden to speak her language and punished severely if she did."

On a blog that Neeta Lind writes about American Indian issues, she noted Flora's eight-year-old sister died at the school when she was trampled in a crowd, and her older sister Nellie ran away from the school so many times that officials confiscated Nellie's shoes.

Flora Sombrero survived the experience and graduated from high school, and in 1945 married Harry Butler Sr.,

At the boarding school, the school officials had advised Flora to move off the reservation, marry a white man, and to avoid speaking Navajo or embracing her culture. "As a result of that, her children did not learn Navajo and we were assimilated Indians," Neeta said.

Despite the hardships of her mother's boarding school experience, Neeta said, "Although she was taken away from her family, she still had a good experience *with* education. My mother was always encouraging us to do well in school."

Neeta received a scholarship from the Navajo tribe and "thanks to my education, I was able to secure an excellent job, get ahead in life, and provide for my family. I wanted to give something back to the tribe, and thanks to the American Indian College Fund, we are able to pinpoint Navajo tribal members to help them pursue higher education and carry on their culture and traditions and honor my mother," Neeta said.

Tribal colleges increase Native student success because they rely upon tradition and innovation to encourage retention.

Donor Spotlight

Kimberly S. Blanchard



Kimberly S. Blanchard, left, speaks with tribal college students in Montana.

Six years ago, Kimberly Blanchard was going through her mail when she saw an envelope emblazoned with the American Indian College Fund's logo. "I had seen the Fund's ads for a series of years and I opened the package of materials because I had seen the ads," she said.

Some might say the timing of that mailing was serendipity for Native students. Blanchard, a partner in the law firm Weil, Gotshal & Manges, LLP in New York City, had taken a brief respite from her volunteer work with a local nonprofit after serving for 12 years. Feeling rested, she said she was "in a mood to pick something up again."

Her interest piqued, Blanchard gave the American Indian College Fund a call to discuss donating. Fund president Richard B. Williams invited her to visit a tribal college with him and she jumped at the chance. Blanchard's subsequent trip to the College of Menominee Nation in Wisconsin was the first of many tribal college visits she has made throughout the years. After she learned about opportunities to help, Blanchard joined the Fund's efforts as a donor, and later joined the Board of Trustees.

Blanchard said she has always supported education as a focus for her charitable giving because "As a rule, every problem can be solved with more education." Supporting the American Indian College Fund allows her to make a significant difference in students' lives and to support the tribal colleges, she added, stating she also loves how the tribal colleges educate their people within their own cultural traditions while serving an underserved population.

In September 2011, Blanchard traveled to Montana, where she toured several tribal colleges with a group of 20 donors. When asked about her most recent experience, she said, "I am always impressed. I can't believe how the tribal colleges have done so much with so few resources in a short period of time against very great odds," she said. "But another thing I feel is frustration. It makes me want to do more and faster... Indian people have so many gifts to give the world. But you have to walk before you can run."

Blanchard said as a donor and member of the Fund's Board of Trustees, one day she would like to see tribal colleges as centers for research, curing diseases that afflict Indian people disproportionately but that impact people worldwide, such as alcoholism and diabetes.

Individual Contributors

We would like to acknowledge the following individuals who have donated \$5,000 or more in the fiscal year 2010-11.

| | |
|---|--|
| Anonymous Donors (24) | Emery and Karen Koenig |
| Anonymous Donor in Honor of Frank H. Davidson | John B. Lane, Ph.D. |
| Leah Meyer Austin | George H. Leon, Jr. |
| Helen and Dianne M. Batzkalil | Mary and Charles Liebman |
| "The Bear Man" | Stephen and Carolyn McCandless |
| Johny Berkey | JB McNeil |
| Kimberly S. Blanchard | Heinrich Medicus |
| Davis Bobrow and Gail Benjamin | Donal Mullineaux |
| Mr. and Mrs. John C. Bogle | Renona Pennington in honor of Anthony A. Welmas |
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| Barbara Cartwright | Bridget Stroud |
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| Gayle Embrey | George and Susan Then |
| William H. Fessler | CleoBell and Sidney Tice |
| Jeffrey L. Fillerup and Neeta M. Lind in honor of Flora Sombrero Lind | Richard J. Treitel |
| George Franke in honor of Robert Franke | Judith E. Trimble and Edward A. Long |
| R.L. Friede | Allen F. Turcke, M.D. |
| Nancy and Lawrence Gutstein | Sheren Tyler-Smith |
| Brian and Vivian Henderson | Jacqueline V. Tynan |
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| Stephen and Karen Jackson | The Richard and Karen Whitney Charitable Fund |
| Raymond James Charitable Endowment Fund | Dan G. Wieden |
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| Ann and Mike Johnson | Richard and Sarah Williams |
| Anna S. Jordan | Lucy S. Winton |
| Valerie Kitchens | Phillip A. Wright in honor of Helen Wright and Marlene LaClair |
| | Elton Wylie |

Legacy Contributors

We would like to remember the following supporters who created a lasting legacy with the American Indian College Fund through their bequests.

| | |
|-----------------------|----------------------|
| Tristan E. Beplat | Geoff Masters |
| Hildegard Bishop | Leslie Mayberry |
| Margaret Blaker | Vera S. McGonigle |
| Janet M. Bonnell | Wilmar D. McLaughlin |
| Robert Boye | Richard F. Mullins |
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| Gerald Lebeau | Adrian Weinberg |
| Roy M. Lechtreck | |
| Betty Manne | |



Foundation Contributors

We would like to acknowledge the following foundations which have granted \$5,000 or more in the fiscal year 2010-11.

Agua Fund, Inc.

Ahmanson Foundation

Alfred P. Sloan Foundation

AMB Foundation

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Argosy Foundation

Ben Plucknett Charitable Trust

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Thomas C. and Lois L. Sando Foundation

Tzo'-Nah Fund

Virginia W. Hill Foundation

W. K. Kellogg Foundation

Women's Self Worth Foundation



Corporate Contributors

We would like to acknowledge the following corporations which have granted \$5,000 or more in the fiscal year 2010-11.

| | | |
|--|--|------------------------------------|
| Allstate Foundation | Ford Motor Company Fund & Community Services | Nissan North America, Inc. |
| American Electric Power | General Mills Foundation | Packaging Corporation of America |
| Arizona Public Service | Goldman Sachs Foundation | Ramscale, Inc. |
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| Citi Foundation | Milberg | Travois Incorporated |
| Coca-Cola Foundation | Morgan Stanley Foundation | United Health Foundation |
| Costco Wholesale | National Indian Gaming Association | UPS Foundation |
| Eastman Kodak Company | Newmont Mining Corporation | USA Funds |
| Estee Lauder | News Corporation | Wieden+Kennedy - Portland |
| ExxonMobil Foundation | | Wm. Wrigley Jr. Company Foundation |

Tribal Contributors

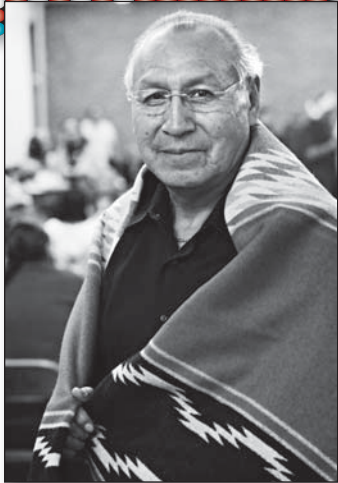
We would like to acknowledge the following tribal contributors for the fiscal year 2010-11.

Buena Vista Rancheria of Me-Wuk Indians
Cabazon Band of Mission Indians
Confederated Tribes of the Siletz Indians of Oregon
Cow Creek Band of Umqua Indians
Oneida Nation Foundation
Saginaw Chippewa Indian Tribe of Michigan
San Manuel Band of Mission Indians
Sycuan Band of the Kumeyaay Nation
Yavapai Prescott Indian Tribe



The Fund in the Community

The American Indian College Fund (the Fund) is committed to giving back to Native communities through volunteerism and other efforts throughout the year. Following are some highlights of the Fund's activities in 2010-11.



Left: The Reverend Sonny White. Right: Missouri River flooding mobilized our donors to help affected Native communities like the Crow Reservation in Montana.

Fund Establishes Flood Relief Fund to Assist Tribal College Communities

When the waters of the Missouri River rose in late spring, many Native communities lay in the path of flood waters.

Three tribal colleges rushed to assist people impacted by the disaster. The Fund, working with its donors, created a Flood Relief Fund.

Crow Agency in eastern Montana was hit first. Little Big Horn College created a shelter on campus and served as the center for flood relief efforts. United Tribes Technical College (UTTC) provided shelter to displaced families and made sandbags for the Bismarck, North Dakota community. Cankdeska Cikana Community College (CCCC) in Fort Totten, North Dakota was also impacted when the only two roads providing access to the reservation washed out, leaving students and school faculty able to travel only with the help of a pilot car.

Annual Elders Dinner

What has 544 legs, 544 arms, 277 mouths, and eats 140 pounds of buffalo, 25 pies, two cakes, and four-dozen cookies in one night? The answer: the 277 American Indian elders that attended the annual Elders Dinner in Denver sponsored by the American Indian College Fund in December.

Fund staffers organized and solicited donations for the event, served food, and distributed gift bags. The Reverend Sonny White (Oglala Lakota and Cheyenne) was honored as 2010 Elder of the Year for his work with the homeless.

Thanks to donor support, the Fund raised more than \$83,000 to assist these colleges. The Fund allocated the Little Big Horn College \$35,000 to feed nearly 300 displaced people, purchase groceries for 30 families, and provide housing assistance and gift cards for families that lost their homes. UTTC received \$25,000 for emergency shelter operating expenses, to purchase a generator, and to provide food and supplies to people affected. CCCC received \$20,000 to assist 135 faculty, staff, and students with gas cards and vehicle repairs and to provide housing assistance for those who lost their homes.

The American Indian College Fund is the largest national scholarship provider for American Indians. It has provided nearly 83,000 scholarships since its founding in 1989.

Source: American Indian College Fund data, 2011.

Donors Giving \$1,000 or More to the Elder's Dinner

Alzheimer's Association

CADDO Solutions

New West Technologies

Donors Giving \$1,000 or More to the Flood Relief Fund

Anonymous (2)
Kimberly S. Blanchard
ExxonMobil Foundation
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Nation
The Trull Foundation
George and Susan Then

Christine B. Thomas
Tzo'-Nah Fund
Lucille Werlinich
Jonathan K. and Yvette Wilber



Independent Auditor's Report

Board of Trustees
American Indian College Fund

We have audited the accompanying statement of financial position of the American Indian College Fund (the "Fund") as of June 30, 2011, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Fund's 2010 financial statements and, in our report dated September 21, 2010, we expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Indian College Fund as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Anton Collins Mitchell LLP

September 1, 2011
Denver, Colorado

www.acmlp.com

17th & Grant Building • 303 East 17th Avenue, Suite 600 • Denver, Colorado 80203
303.830.1120 • Fax 303.830.8130



Statement of Financial Position

(With Comparative Totals for 2010)

| June 30, | 2011 | 2010 |
|---|----------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 2,267,402 | \$ 2,655,210 |
| Promises to give, net | 7,053,178 | 1,403,119 |
| Prepaid expenses and other assets | 132,295 | 90,438 |
| Donated assets held for resale | 650,555 | 714,301 |
| Property and equipment, net | 687,866 | 728,975 |
| Investments: | | |
| American Indian College Fund | 57,123,868 | 52,109,910 |
| Held in trust for others | 569,810 | 530,090 |
| Total investments | 57,693,678 | 52,640,000 |
| TOTAL ASSETS | \$ 68,484,974 | \$ 58,232,043 |
| LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 246,811 | \$ 143,888 |
| Liabilities under charitable gift annuities | 16,099 | 16,801 |
| Held in trust for others | 569,810 | 530,090 |
| TOTAL LIABILITIES | 832,720 | 690,779 |
| Commitments and contingencies | | |
| NET ASSETS | | |
| Unrestricted: | | |
| Undesignated | 16,358,100 | 12,304,280 |
| Board-designated for endowment | 10,847,581 | 8,219,599 |
| Total unrestricted | 27,205,681 | 20,523,879 |
| Total temporarily restricted | 18,466,892 | 16,944,404 |
| Total permanently restricted | 21,979,681 | 20,072,981 |
| Total net assets | 67,652,254 | 57,541,264 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 68,484,974 | \$ 58,232,043 |

See accompanying summary of significant accounting policies and notes to financial statements.

Statement of Activities

(With Comparative Totals for 2010)

| Year Ended June 30, | 2011 | | | | 2010 |
|--|---------------|------------------------|------------------------|---------------|---------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total | Total |
| REVENUES | | | | | |
| Contributions | \$ 8,085,404 | \$ 9,374,603 | \$ 1,906,700 | \$ 19,366,707 | \$ 11,014,545 |
| Donated public service announcements | 1,278,142 | - | - | 1,278,142 | 1,927,799 |
| Net special events revenue | 401,028 | 8,300 | - | 409,328 | 346,044 |
| Net investment return | 1,970,431 | 3,114,990 | - | 5,085,421 | 3,800,705 |
| Change in value of charitable trusts | 355,424 | - | - | 355,424 | (55,714) |
| Other income | 102,111 | (25,214) | - | 76,897 | 48,499 |
| Net assets released from restrictions | 10,303,839 | (10,303,839) | - | - | - |
| Total support, revenue and gains | 22,496,379 | 2,168,840 | 1,906,700 | 26,571,919 | 17,081,878 |
| EXPENSES | | | | | |
| Program services: | | | | | |
| Scholarship and grants program | 10,768,578 | - | - | 10,768,578 | 9,761,364 |
| Public education program | 1,847,244 | - | - | 1,847,244 | 2,590,681 |
| Total program services | 12,615,822 | - | - | 12,615,822 | 12,352,045 |
| Supporting services: | | | | | |
| Administrative | 954,566 | - | - | 954,566 | 849,980 |
| Donor development | 2,890,541 | - | - | 2,890,541 | 2,081,365 |
| Total supporting services | 3,845,107 | - | - | 3,845,107 | 2,931,345 |
| Total expenses | 16,460,929 | - | - | 16,460,929 | 15,283,390 |
| Increase in net assets before reclassification of endowment deficiency recovered | 6,035,450 | 2,168,840 | 1,906,700 | 10,110,990 | 1,798,488 |
| Reclassification of endowment deficiency recovered | 646,352 | (646,352) | - | - | - |
| Increase in net assets | 6,681,802 | 1,522,488 | 1,906,700 | 10,110,990 | 1,798,488 |
| Net assets , beginning of year | 20,523,879 | 16,944,404 | 20,072,981 | 57,541,264 | 55,742,776 |
| Net assets , end of year | \$ 27,205,681 | \$ 18,466,892 | \$ 21,979,681 | \$ 67,652,254 | \$ 57,541,264 |

See accompanying summary of significant accounting policies and notes to financial statements.

Statement of Functional Expenses

(With Comparative Totals for 2010)

| Year Ended June 30, Account Description | 2011 | | | | | 2010 |
|--|----------------------------|---------------------|------------------|----------------------|-------------------|-------------------|
| | Scholarships and Grants | Public Education | Administrative | Donor Development | Total | Total |
| Salaries | \$ 528,320 | \$ 247,991 | \$ 423,246 | \$ 836,136 | \$ 2,035,693 | \$ 1,662,715 |
| Payroll taxes and benefits | 173,372 | 77,765 | 134,671 | 268,810 | 654,618 | 481,832 |
| Scholarships and grants | 9,799,821 | - | - | - | 9,799,821 | 9,080,896 |
| Advertising/marketing | 19,197 | 17,535 | - | 1,776 | 38,508 | 39,743 |
| Direct response and donor stewardship | - | 41,123 | - | 1,458,391 | 1,499,514 | 1,029,745 |
| Donated public service announcements | - | 1,278,142 | - | - | 1,278,142 | 1,927,799 |
| Accounting, audit, legal, and consulting fees | 79,686 | 23,941 | 261,972 | - | 365,599 | 329,015 |
| Rent, utilities, maintenance and equipment rental | 12,074 | 9,161 | 23,125 | 17,949 | 62,309 | 40,575 |
| Special events and donor tours . . . | - | 70,534 | - | 49,993 | 120,527 | 43,747 |
| Cost of direct benefits to donors | - | - | - | 151,412 | 151,412 | 122,404 |
| Travel and meals | 66,460 | 12,583 | 21,873 | 122,476 | 223,392 | 201,603 |
| Board meetings | - | - | 72,829 | - | 72,829 | 73,795 |
| Office expenses | 19,037 | 5,911 | 68,791 | 34,029 | 127,768 | 152,874 |
| Depreciation and amortization . . . | 13,812 | 6,375 | 11,175 | 21,850 | 53,212 | 55,522 |
| Publications, dues, and subscriptions | 12,055 | 19,799 | 12,720 | 13,549 | 58,123 | 72,281 |
| Bank charges | - | - | 61,230 | - | 61,230 | 46,440 |
| Staff development | 5,788 | 2,028 | 5,156 | 15,350 | 28,322 | 30,232 |
| Insurance | - | - | 33,325 | - | 33,325 | 33,952 |
| Bad debt related to allowance for doubtful accounts | - | - | - | - | - | 6,019 |
| Other expenses | 148 | - | 29,190 | 14,385 | 43,723 | 48,272 |
| Information technology | 38,808 | 34,356 | 18,920 | 43,357 | 135,441 | 96,513 |
| Total expenses | 10,768,578 | 1,847,244 | 1,178,223 | 3,049,463 | 16,843,508 | 15,575,974 |
| Less expenses netted against revenue: | | | | | | |
| Investment management fees . . | - | - | 168,663 | - | 168,663 | 105,218 |
| Expense on rental property . . . | - | - | 54,994 | - | 54,994 | 45,438 |
| Cost of direct benefits to donors . | - | - | - | 151,412 | 151,412 | 122,404 |
| Cost of goods sold | - | - | - | 7,510 | 7,510 | 19,524 |
| | \$ 10,768,578 | \$ 1,847,244 | \$ 954,566 | \$ 2,890,541 | \$ 16,460,929 | \$ 15,283,390 |
| Functional expense as a percentage of total expense . . | 65% | 11% | 6% | 18% | 100% | |

See accompanying summary of significant accounting policies and notes to financial statements.

Statement of Cash Flows

(With Comparative Totals for 2010)

Increase (Decrease) in Cash and Cash Equivalents

| Year Ended June 30, | 2011 | 2010 |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 10,110,990 | \$ 1,798,488 |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | | |
| Depreciation | 53,212 | 55,522 |
| Donated assets capitalized as held for sale | (12,389) | (675,166) |
| Change in value of charitable gift annuity | 4,614 | - |
| Net realized and unrealized gain on investments | (4,199,759) | (2,423,223) |
| Contributions of securities | (600,000) | - |
| Contributions restricted to endowment | (1,906,700) | (558,611) |
| Decrease (increase) in operating assets: | | |
| Promises to give, net | (4,350,059) | (462,677) |
| Prepaid expenses and other assets | (41,857) | (18,967) |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable and accrued expenses | 102,923 | (135,344) |
| Net cash used in operating activities | (839,025) | (2,419,978) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sale of donated property | 15,969 | 15,420 |
| Payments for purchases of property and equipment | (12,103) | (58,009) |
| Interest and dividend income reinvested | (1,054,325) | (1,482,700) |
| Net Proceeds from investment portfolio | 900,292 | 4,322,900 |
| Net cash (used in) provided by investing activities | (150,167) | 2,797,611 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Collections of contributions restricted to endowment | 606,700 | 558,611 |
| Payments to charitable gift annuity beneficiaries | (5,316) | (7,634) |
| Net cash provided by financing activities | 601,384 | 550,977 |
| Net (decrease) increase in cash and cash equivalents | (387,808) | 928,610 |
| Cash and cash equivalents, beginning of year | 2,655,210 | 1,726,600 |
| Cash and cash equivalents, end of year | \$ 2,267,402 | \$ 2,655,210 |

See accompanying summary of significant accounting policies and notes to financial statements.

Summary of Significant Accounting Policies

Organization

The American Indian College Fund (the “Fund,” “we,” “us,” or “our”), a Washington, D.C. nonprofit corporation, transforms Indian higher education by funding and creating awareness of the unique, community-based accredited tribal colleges and universities, offering students access to knowledge, skills, and cultural values which enhance their communities and the country as a whole. During our 2011 fiscal year, we disbursed more than 6,000 scholarships for American Indian students seeking to better their lives through higher education. We also provided support for tribal college needs, ranging from capital support to cultural preservation curricula. Tribal colleges serve large proportions of non-traditional students, those with dependent family members, first-generation college students, and many others who previously had little access to post-secondary education in their communities. However, tribal colleges receive little or no local or state tax support. To help alleviate this funding gap, we work with the private sector to raise funds crucial to the colleges and their students.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (“GAAP”). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended June 30, 2010, from which the summarized information was derived.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with GAAP, as promulgated in the Financial Accounting Standards Board (“FASB”) publication, *FASB Accounting Standards Codification*TM (“FASB Codification”).

Cash and Cash Equivalents

We consider all highly liquid financial instruments with original maturities of three months or less, and which are not held for long term purposes, to be cash and cash equivalents. All other highly liquid financial instruments which are to be used for long-term purposes are classified as investments regardless of original length to maturity.

Investments

Investment purchases are initially recorded at cost. If contributed, such investments are recorded at fair value on the date of contribution. Investments are reported at their fair values in the statement of financial position, and unrealized gains and losses are included in the statement of activities. Net investment return consists of the Fund’s interest and dividend income, and realized and unrealized capital gains and losses generated from the Fund’s investments, less investment management and custodial fees.

Our investments include private and publicly held investments, and are structured to provide the financial resources needed to meet our short and long-term capital requirements, operating reserves, scholarship and other charitable objectives. With limited exceptions, our investments are managed by independent professional investment management firms and include a variety of investment products, such as individual equity and debt securities, open and closed-end mutual funds, exchange traded securities, investment company shares, and limited partnership interests. Our investments are exposed to various risks that may cause the reported value of our investments to fluctuate from period to period and could result in material changes to our net assets. Investments in equity securities fluctuate in value in response to many factors, such as the activities and financial condition of individual companies, general business, industry, and market conditions, as well as the perceived state and direction of the economy. The values of bond investments and other fixed income securities fluctuate in response to changing interest rates, credit worthiness of issuers and overall economic policies that impact market conditions.

Certain of our investment managers are permitted to use investment strategies and techniques designed to achieve higher investment returns with lower volatility and low correlations to major market indices and other asset classes. Strategies and techniques, such as the use of hedge funds, could increase the impact of favorable or adverse security price movements on our investment portfolio.

Summary of Significant Accounting Policies

Promises to Give

Unconditional promises to give that are expected to be collected in less than one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are initially recorded at their estimated fair values. That fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue. We have not recorded a discount as they are believed to be immaterial. In years subsequent to initial recording, we determine an allowance for uncollectible amounts based on our relationship with the donor, historical experience, an assessment of the current economic environment, and analysis of subsequent events. At June 30, 2011, no allowance was considered necessary. Conditional promises to give are not included as support until the conditions are substantially met.

Property and Equipment

Property and equipment additions over \$1,000 are recorded at cost or, if donated, at the estimated fair value on the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 32½ years. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation is removed from the accounts, and any remaining gain or loss is included in the statement of activities. Repairs and maintenance are charged to expense when incurred.

Impairment of Long-Lived Assets

We review asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced, by a charge to the statement of activities, to its estimated fair value. We have determined there was an impairment of the agricultural land held for sale during the year ended June 30, 2011 as discussed in Note 4.

Unrestricted Net Assets

Unrestricted net assets are available for use in general operations.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of amounts that are subject to donor restrictions that may or will be met by expenditures or actions, and/or the passage of time, and certain income earned on permanently restricted net assets.

Donor-restricted contributions, including promises to give, are recorded as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets

Permanently restricted net assets consist of assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions taken by us. These restrictions stipulate that resources must be maintained permanently, but permit us to expend the income generated in accordance with the provisions of the gift agreements.

Revenue Recognition

Noncontribution revenue is recognized when earned. Contributions are recognized when cash, other assets or an unconditional promise to give is received.

Donated Services and Materials

Donated professional services are recorded at the respective fair values of the services received. Donated materials are recorded at fair value at the date of donation. Volunteers contribute significant amounts of time to our program services, administrative, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by the FASB Codification.

Expenses

Expenses are recognized when incurred. Expenses paid in advance but not yet incurred are deferred to the applicable period.

Summary of Significant Accounting Policies

Functional Allocation of Expenses

The costs of providing the various program and supporting activities have been summarized on a functional basis in the statement of activities. The details of functional expenses by natural classification are presented in the statement of functional expenses. Certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of support, revenue, expenses, and distributions during the reporting period. Actual results could differ from those estimates and such differences could be material.

Financial Instruments and Credit Risk

We manage cash deposit concentration risk by placing our temporary cash and money market accounts with financial institutions considered by us to be high quality and credit-worthy. Cash and cash equivalents are maintained at financial institutions and at times, balances may exceed federally insured limits. We have never experienced any losses related to these balances. The funds were fully insured at June 30, 2011 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there is no limit to the amount of insurance for eligible accounts. Beginning in 2013, insurance coverage will revert to \$250,000 per depositor at each institution, and the funds may again exceed federally insured limits.

We consider credit risk associated with promises to give to be limited because of high historical collection rates and because the amounts outstanding are due from individuals, foundations and corporations supportive of our mission.

Our investments are made by professional investment managers, and are monitored by the Board of Trustees and management. Though the fair values of investments are subject to fluctuation on a year-to-year basis, we believe that our investment policy is prudent for the long-term welfare of the Fund.

Fair Value Measurements

We follow the methods of fair value measurement described in the *Fair Value Measurements and Disclosures* topic of the FASB Codification to determine the fair values of all assets and liabilities required to be measured at fair value. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability, i.e., the “exit price,” in an orderly transaction between market participants at the measurement date. A hierarchy prioritizes the observable and unobservable inputs used to measure fair value into three broad levels, as described below:

- *Level 1* – Observable inputs such as 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 in active markets, quoted prices for identical assets or liabilities in inactive markets, or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- *Level 3* – Unobservable inputs are used when little or no market data is available.

In determining fair value, the Fund utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Taxes and Tax-Exempt Status

The Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Fund qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under Section 509(a)(1). However, income from activities not directly related to the Fund’s tax-exempt purpose is subject to taxation as unrelated business income. We incurred no taxes on unrelated business income during the year ended June 30, 2011.

The Fund believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the financial statements. The Fund is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before fiscal year 2007, based on the related statute of limitations.

Notes to Financial Statements

1. PROMISES TO GIVE

Following is a summary of unconditional promises to give at:

| June 30, | 2011 |
|----------------------------------|--------------|
| Receivable in less than one year | \$ 3,880,103 |
| Receivable in one to five years | 3,173,075 |
| | \$ 7,053,178 |

The two largest donors represent 52.5% and 18.4%, respectively, of the promises to give balance.

2. FAIR VALUE DISCLOSURES

Fair Value Measurements on a Recurring Basis

Assets measured at fair value on a recurring basis have been categorized based upon a fair value hierarchy as of:

| June 30, | 2011 | | | |
|---|---------------|---------------|---------------|--------------|
| Description | Total | (Level 1) | (Level 2) | (Level 3) |
| Investments: | | | | |
| Cash and money market funds ⁽¹⁾ | \$ 205,642 | \$ 205,642 | \$ - | \$ - |
| Certificates of deposit ⁽²⁾ | 305,085 | - | 305,085 | - |
| Equity securities ⁽³⁾ | 51,999 | 51,999 | - | - |
| Debt securities: | | | | |
| Corporate debt securities ⁽²⁾ | 12,957,175 | - | 12,957,175 | - |
| U.S. treasury and agency debt securities ⁽²⁾ | 4,545,777 | - | 4,545,777 | - |
| Mortgage backed debt securities ⁽²⁾ | 4,662,440 | - | 4,662,440 | - |
| Mutual funds: | | | | |
| Domestic equity ⁽³⁾ | 5,467,134 | 5,467,134 | - | - |
| Developed markets ⁽³⁾ | 6,153,169 | 6,153,169 | - | - |
| Global equity ⁽³⁾ | 5,389,756 | 5,389,756 | - | - |
| Emerging markets ⁽³⁾ | 1,605,908 | 1,605,908 | - | - |
| Domestic debt securities ⁽³⁾ | 1,616,315 | 1,616,315 | - | - |
| Domestic bond market index ⁽³⁾ | 836,023 | 836,023 | - | - |
| Investment funds and partnerships: | | | | |
| Energy limited partnerships ⁽⁴⁾ | 2,060,304 | 2,060,304 | - | - |
| Diversified debt investment fund ⁽⁵⁾ | 6,022,881 | - | 6,022,881 | - |
| Fund of hedge funds ⁽⁶⁾ | 5,814,070 | - | - | 5,814,070 |
| | \$ 57,693,678 | \$ 23,386,250 | \$ 28,493,358 | \$ 5,814,070 |

Notes to Financial Statements

2. FAIR VALUE DISCLOSURES (CONTINUED)

- (1) Fair values are equal to the sums of the account balances.
- (2) Fair values are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- (3) Fair values are based upon quoted market prices for identical securities in active markets or published redemption values.
- (4) Fair value of investments in limited partnerships represents the Fund's pro-rata interest in the net assets of the partnerships. The partnerships' investment strategies are to invest primarily in equities.
- (5) Fair value of investment in investment portfolio represents the Fund's pro-rata interest in the net assets of the portfolio. The portfolios' investment strategies are to invest in a variety of debt securities.
- (6) The fund of hedge funds invests in a variety of hedge funds, including funds of hedge funds, to create a portfolio of funds having widely diversified investment strategies. The funds have varying degrees of transparency into their underlying holdings, and the investment consulting firm reports fair value information accumulated from the various fund managers. Performance results are monitored by the investment consulting firm and compared to benchmarks selected to help evaluate an individual strategy or the skill of an individual manager compared to similar managers. Management and the Board of Trustees review the composition and performance results of the fund of hedge funds.

Below is a reconciliation of the beginning and ending balance of assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the year ended:

| June 30, | 2011 |
|--|-----------------------------|
| <i>Fair Value Measurements Using Significant Unobservable Inputs (Level 3)</i> | |
| Beginning balance | Investments \$ 2,814,525 |
| Purchases | 2,750,000 |
| Sales | (39,610) |
| Net realized and unrealized gain included in the statement of activities | 289,155 |
| Ending balance | \$ 5,814,070 |
| Unrealized gain included in net investment return on the statement of activities attributable to asset still held at June 30, 2011 | \$ 345,412 |

Notes to Financial Statements

2. FAIR VALUE DISCLOSURES (CONTINUED)

Fair Value Measurement on a Nonrecurring Basis

During the year ended June 30, 2011, the Fund decided to lease the agricultural land held for sale. The land is still held for sale and the lessee has the option to purchase the land for \$615,000 during the lease term. As no sale has been completed, we believe the carrying amount of the land held for sale may not be recoverable. We believe the amount of the purchase option included in the lease is a good estimate of the agricultural land's fair value. An

impairment loss of \$60,166 is included in net investment return on the statement of activities for the year ended June 30, 2011. This fair value measurement is based on unobservable inputs as described above, and thus represents a Level 3 measurement as defined in the *Fair Value Measurements and Disclosure* topic of the FASB Codification.

The following asset was evaluated at fair value on a nonrecurring basis during the year ended June 30, 2011:

| June 30, Description | 2011 | | | | |
|---------------------------------|------------|---------|---------|------------|---------------------------------------|
| | Total | Level 1 | Level 2 | Level 3 | Loss for the year ended June 30, 2011 |
| Agricultural land held for sale | \$ 615,000 | \$ - | \$ - | \$ 615,000 | \$ 60,166 |

3. NET INVESTMENT RETURN

Net investment return was composed of the following for the year ended:

| June 30, | 2011 |
|----------------------------------|--------------|
| Interest and dividend income | \$ 1,054,325 |
| Net realized and unrealized gain | 4,199,759 |
| Less investment management fees | (168,663) |
| | \$ 5,085,421 |

4. DONATED ASSETS HELD FOR RESALE

Donated assets held for resale were comprised of the following at:

| June 30, | 2011 |
|-------------------|------------|
| Art items | \$ 35,555 |
| Agricultural land | 615,000 |
| | \$ 650,555 |

During the year ended June 30, 2011 the Fund entered into a commercial lease of the agricultural land and the lessee has the option to purchase the land for \$615,000 during the lease term. As such, the Fund determined the land's value may not be recoverable, and accordingly adjusted the carrying amount of the agricultural land to this agreed-upon value.

Notes to Financial Statements

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at:

| June 30, | 2011 |
|-------------------------------|-------------|
| Land | \$ 100,000 |
| Building and improvements | 821,014 |
| Furniture and equipment | 312,916 |
| | 1,233,930 |
| Less accumulated depreciation | (546,064) |
| | \$ 687,866 |

6. DONATED PUBLIC SERVICE ANNOUNCEMENTS

A variety of media outlets donate print space and air time to publish and/or broadcast our public education program public service announcements (“PSAs”). We recognize

and report in the statement of activities the estimated fair value of the PSAs (\$1,278,142 for the year ended June 30, 2011) as equal and offsetting income and expense items.

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are comprised of the following at:

| June 30, | 2011 |
|---|---------------|
| Restricted to the following purposes: | |
| Scholarships and other support | \$ 6,988,924 |
| Tribal colleges and universities support | 319,574 |
| PhD and research programs | 1,107,769 |
| Cultural preservation program | 1,314,349 |
| Wisdom of the People Intellectual Capacity Building Program | 3,613,754 |
| Kellogg Early Childhood Education Project | 4,954,109 |
| Other | 168,413 |
| | \$ 18,466,892 |

Temporarily restricted net assets were released from restrictions as follows during the year ended:

| June 30, | 2011 |
|---|---------------|
| Restricted to the following purposes: | |
| Scholarships and other support | \$ 5,195,873 |
| Tribal colleges and universities support | 1,000,000 |
| PhD and research programs | 455,316 |
| Cultural preservation program | 167,020 |
| Wisdom of the People Intellectual Capacity Building Program | 3,259,426 |
| Kellogg Early Childhood Education Project | 45,891 |
| Other | 180,313 |
| | \$ 10,303,839 |

Notes to Financial Statements

8. ENDOWMENT

Our endowment is comprised of donor-restricted contributions and the amount of unrestricted net assets designated for endowment by the American Indian College Fund Board of Trustees from time to time. Earnings arising from permanently restricted funds are temporarily restricted until appropriated for expenditure. Earnings arising from board-designated funds are unrestricted.

Composition of Endowment

Our endowment (“Endowment”) is composed of approximately 80 individual endowment funds established by donors primarily to provide scholarships and support to tribal college students and tribal colleges, respectively. The Endowment includes both donor-restricted funds and funds designated for use by our Board of Trustees to function as an endowment. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Fund charges a .5% administration fee to help defray the costs of investment administration of the endowment portfolio. The fee was not imposed during the year ended June 30, 2010 due to deficiencies between the fair value of certain endowment assets compared to the original gift.

Interpretation of Relevant Law

Our Board of Trustees has interpreted the Washington D.C. Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as requiring the 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. At June 30, 2011, there were no contrary donor stipulations. As a result of this interpretation, we classify as permanently restricted net assets (a) the original value of gifts donated to the Endowment, (b) the original value of subsequent gifts donated to the Endowment, and (c) accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

The remaining portion of the Endowment that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The Board of Trustees considers the following factors in making a determination to appropriate or accumulate donor-restricted Endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund

- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

Return Objectives and Risk Parameters

We have adopted investment and spending policies for Endowment assets that attempt to provide a predictable stream of funding to programs supported by the Endowment while seeking to preserve the original fair values of the Endowment assets. Under these policies, as approved by our Board of Trustees, Endowment assets are invested in a manner intended to produce results, measured over full market cycles, that equal or exceed the price and yield results of a blended portfolio composed of traditional and alternative investment securities, while assuming a low-to-moderate level of investment risk. We expect our Endowment funds, over time, to provide an average annual rate of return sufficient to preserve the original fair values of the Endowment assets while providing an opportunity for real growth. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

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

Spending Policy and Relation to Investment Objectives

Our Board of Trustees follows a policy of appropriating for distribution each year from the Endowment so much of the Endowment as is necessary to fund scholarships and tribal college support as determined appropriate. In establishing this policy, the Board of Trustees considers the long-term expected return on the Endowment. Accordingly, over the long term, the Board of Trustees expects the current spending policy to preserve the net assets of the Endowment. This is consistent with the Board of Trustees’ objective to preserve the original fair values of the Endowment assets as well as provide an opportunity for real growth through new gifts and undistributed investment return.

Notes to Financial Statements

8. ENDOWMENT (CONTINUED)

The endowment was allocated among the following net asset classifications at:

| | 2011 | | | |
|--------------------------------|---------------|------------------------|------------------------|---------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
| Donor restricted endowment | \$ - | \$ 3,415,933 | \$ 21,979,681 | \$ 25,395,614 |
| Board designated for endowment | 10,847,581 | - | - | 10,847,581 |
| | \$ 10,847,581 | \$ 3,415,933 | \$ 21,979,681 | \$ 36,243,195 |

Changes in endowment net assets were as follows for the year ended:

| | 2011 | | | |
|---|---------------|------------------------|------------------------|---------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
| Endowment net assets, beginning of year ⁽¹⁾ | \$ 7,573,247 | \$ 1,525,778 | \$ 20,072,981 | \$ 29,172,006 |
| Investment return: | | | | |
| Interest and dividend income | 90,797 | 174,969 | - | 265,766 |
| Net realized and unrealized gain, net of fees | 1,515,303 | 2,939,329 | - | 4,454,632 |
| Total investment return | 1,606,100 | 3,114,298 | - | 4,720,398 |
| Contributions | 1,032,966 | - | 1,906,700 | 2,939,666 |
| Distributions | (11,084) | (505,873) | - | (516,957) |
| Other changes: | | | | |
| Administrative fee | - | (71,918) | - | (71,918) |
| Recovery of deficiency in original historical gift value of permanently restricted net assets over current fair value | 646,352 | (646,352) | - | - |
| Endowment net assets, end of year | \$ 10,847,581 | \$ 3,415,933 | \$ 21,979,681 | \$ 36,243,195 |

(1) The presentation of the beginning of year endowment net assets has been changed from presenting the deficiency, of the assets fair value relative to the original gift from net to gross.

Funds with Deficiencies

From time to time, the fair value of the Endowment may fall below the fair value of the original gifts and other accumulations made to it, the amount required by

UPMIFA to be preserved as a fund of perpetual duration. There was no such deficiency at June 30, 2011.

Notes to Financial Statements

9. CONTRIBUTIONS BY SOURCE

Contributions by source were as follows for the year ended:

| June 30, | 2011 |
|--|---------------|
| Individuals | \$ 5,216,989 |
| Bequests | 5,038,771 |
| Corporations and corporate foundations | 2,841,628 |
| Charitable foundations | 6,269,319 |
| | \$ 19,366,707 |

10. TAX DEFERRED ANNUITY PLAN

We maintain a tax deferred annuity plan (the "Plan") qualified under Section 403(b) of the Internal Revenue Code covering substantially all of our full-time employees. Under the provisions of the Plan, participants may contribute an amount not to exceed the annual limits specified by the Internal Revenue Service. In addition, our discretionary contributions are 2% of each qualifying employee's qualifying wages and matching employee's contributions up to 5% of qualifying wages. Employee contributions vest immediately. Employer contributions vest over a four year period. During the fiscal year ended June 30, 2011, we contributed \$97,564 to the plan.

11. RELATED PARTIES

Certain members of the Board of Trustees are tribal college presidents whose colleges are eligible to receive scholarship and other direct funding awards from the Fund in the normal course of operations. Most scholarship and other direct funding awards are distributed on an objective and equivalent basis among all the tribal colleges. Trustees abstain from acting as representatives of individual tribal colleges, and exercise their powers in good faith and in the interests of the Fund and tribal colleges as a whole.

12. COMMITMENTS AND CONTINGENCIES

Grant Commitment

A grant of \$17.5 million was awarded to the fund during the year ended June 30, 2007. The purpose of the grant is restricted for disbursement to tribal colleges and universities for certain purposes over a five year period. The annual disbursements to the recipients are contingent upon the recipients meeting special conditions. The Fund expects to disburse \$2,629,563 during the year ended June 30, 2012, completing fulfillment of the grant agreement.

Liquidity of Investment in Fund of Hedge Funds

The redemption terms of the investment in the fund of hedge funds require 95 day notice, and may be paid out in 25% increments within 60 days after the effective date of redemption (the last day of the fund of hedge funds fiscal quarter).

13. SUBSEQUENT EVENTS

The Fund has evaluated subsequent events through September 1, 2011, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.



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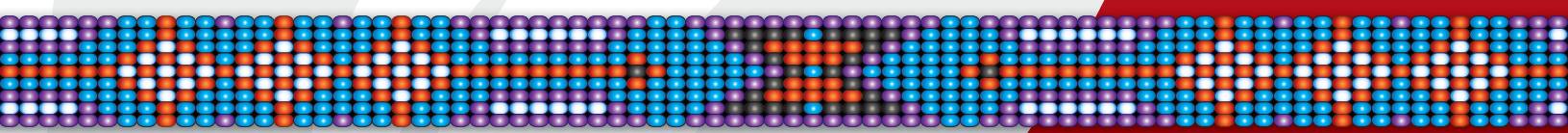
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Educating the Mind and Spirit



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