



NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE

FINANCIAL STATEMENTS SEPTEMBER 30, 2018

STATEMENT OF ACTIVITIES FOR THE YEAR ENDING SEPTEMBER 30, 2019 (BUDGET FORECAST)

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NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE, INC.

**FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING SEPTEMBER 30, 2019 (BUDGET FORECAST)**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors

Native American Indian Association of Tennessee

230 Spence Lane

Nashville, TN 37210-3623

Management is responsible for the accompanying financial statements of the Native American Indian Association of Tennessee (a not for profit corporation), which comprise the statement of financial position as of September 30, 2018 and the related statements of activities, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services issued by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion nor provide any form of assurance on these financial statements.

Joe Osterfeld, CPA

Columbia, Tennessee

January 14, 2019

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2018

Assets

Current Assets	
Cash	\$ 315,587
Total Current Assets	<u>315,587</u>
Property and Equipment	
Land	198,270
Building	40,421
Equipment	59,959
Construction in progress	65,819
	<u>364,469</u>
Less: accumulated depreciation	<u>(77,966)</u>
Net Property and Equipment	286,503
Other Assets: Building fund	281,097
Total Assets	<u><u>\$ 883,187</u></u>

Liabilities and Net Assets

Accrued payroll expenses	\$ 1,593
Total Liabilities	<u>1,593</u>
Net Assets	
Unrestricted net assets	117,523
Temporarily restricted net assets	764,071
Total Net Assets	<u>881,594</u>
Total Liabilities and Net Assets	<u><u>\$ 883,187</u></u>

See accompanying notes and accountant's compilation report.

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Other Support			
Donations	\$ 27,750	\$ 36,374	\$ 64,124
PowWow		38,244	38,244
Grants and awards		280,621	280,621
Membership dues	1,015		1,015
Interest income	1,196		1,196
Net assets released from restrictions:			
Satisfaction of program restrictions	257,169	(257,169)	-
Total Revenues	287,130	98,070	385,200
Expenses			
Program Services			
Scholarship and Specific Assistance	6,455		6,455
Membership Services	15,364		15,364
PowWow	70,354		70,354
WIA Program	230,610		230,610
Total Expenses	322,783	-	322,783
Increase in Net Assets	(35,653)	98,070	62,417
Net assets, beginning of year	153,176	666,001	819,177
Net assets, end of year	<u>\$ 117,523</u>	<u>\$ 764,071</u>	<u>\$ 881,594</u>

See accompanying notes and accountant's compilation report.

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Program Services</u>				
	<u>Scholarship & Specific Assistance</u>	<u>Other Membership Services</u>	<u>Pow Wow</u>	<u>WIA Program</u>	<u>Total</u>
Salaries	\$ -	\$ -	\$ -	\$ 78,457	\$ 78,457
Payroll taxes	-	-	-	9,407	9,407
Employee benefits	-	-	-	22,002	22,002
Depreciation	-	1,347	-	1,597	2,944
Other expenses	-	20	-	-	20
Postage	-	12	-	150	162
Pow Wow expenses	-	-	70,354	-	70,354
Professional services	-	1,072	-	6,178	7,250
Rent	-	2,800	-	9,104	11,904
Repairs & maintenance	-	1,750	-	-	1,750
Specific assistance to individuals	6,455	-	-	87,926	94,381
Supplies	-	1,713	-	2,604	4,317
Taxes and licenses	-	1,346	-	-	1,346
Telephone & internet	-	1,671	-	2,288	3,959
Travel & professional development	-	1,263	-	10,618	11,881
Utilities	-	2,370	-	279	2,649
Total Expenses	<u>\$ 6,455</u>	<u>\$ 15,364</u>	<u>\$ 70,354</u>	<u>\$ 230,610</u>	<u>\$ 322,783</u>

See accompanying notes and accountant's compilation report.

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$ 62,417
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operations:	
Depreciation	2,944
(Increase) decrease in building fund cash	(38,982)
Increase (decrease) in accrued expenses	(127)
Total cash provided (used) by operations	<u>26,252</u>

INVESTING ACTIVITIES: -

FINANCING ACTIVITIES: -

Increase (decrease) in cash	26,252
Beginning cash balance	<u>289,335</u>
Ending cash balance	<u><u>\$ 315,587</u></u>

See accompanying notes and accountant's compilation report.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Native American Indian Association of Tennessee, Inc. (NAIA) is a Tennessee not-for-profit corporation. NAIA was founded October 2, 1982 and is the only non-profit 501(c)(3) statewide Native American Indian organization with an all Indian Board of Directors. NAIA's mission is to provide social services, scholarships, and cultural revitalization for the more than 15,000 Native American in Tennessee. NAIA is governed by a Board of Directors elected by its members.

Basis of Accounting

The financial statements of Native American Indian Association of Tennessee have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, accounts payable, and other liabilities.

Basis of Presentation

Financial statement presentation follows US generally accepted accounting principles which require the Project to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets are not subject to donor-imposed stipulations. Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by action of NAIA and/or the passage of time. When a restriction expires, 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 are subject to donor-imposed stipulations that must be maintained permanently by NAIA. Generally, the donor of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents are defined as all cash on hand and deposited in FDIC insured bank accounts with an original maturity of three months or less.

Accounts Receivable

Accounts receivable are stated at their net realizable value. At September 30, 2018, NAIA's accounts receivable balance was \$ 0 (zero).

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

Donations of Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment is reported as restricted support. Absent donor stipulations regarding how those long lived assets must be maintained, NAIA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. NAIA transfers temporarily restricted net assets to unrestricted net assets at that time.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fair Values of Financial Instruments

Financial instruments of NAIA include cash. Management estimates that the fair value of all financial instruments at September 30, 2018 do not differ materially from the carrying values of the financial instruments recorded in the accompanying balance sheet.

Income Tax Status

Native American Indian Association of Tennessee is an organization, which is not considered a private foundation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. NAIA's Form 990, Return of Organization Exempt from Income Tax, for the years ending September 30, 2016, 2017, and 2018 are subject to examination by the IRS, generally for 3 years after they were filed. There are no tax examinations currently in process. Management has concluded that NAIA has taken no uncertain tax positions as of September 30, 2018. Therefore, no provision for income taxes has been included in NAIA's financial statements.

Promises to Give

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful life of assets and is reflected as an expense in the Statement of Functional Expenses. Useful lives are thirty years for buildings and three to seven years for equipment.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND CREDIT RISK

Total cash held by the Native American Indian Association of Tennessee is deposited in two banks. Accounts are insured by the FDIC up to \$250,000. At September 30, 2018, NAIA had \$345,184 in excess of the FDIC limit. It is the opinion of management that the solvency of the financial institution is not of particular concern at this time.

NOTE 3 - FINANCIAL DEPENDENCE

NAIA is substantially funded by grants from the US Department of Labor, Tennessee Department of Tourism, Metro Parks and Recreation, Tennessee Arts Commission, Metro Nashville Arts Commission, Memorial Foundation, and revenues and donations from their Annual Pow Wow.

NOTE 4 - DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through January 14, 2019, the date which the financial statements were available to be issued. No material subsequent events have occurred that need to be disclosed.

Joe Osterfeld, CPA

Certified Public Accountant

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Native American Indian Association of Tennessee
230 Spence Lane
Nashville, TN 37210-3623

I have compiled the accompanying statement of activities of the Native American Indian Association of Tennessee (a not for profit corporation) for the budget forecast year ending September 30, 2019 in accordance with Attestation Standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of budget forecast information that is the representation of management and does not include evaluation of the assumptions underlying the budget forecast. I have not examined the budget forecast and, accordingly, do not express an opinion or any other form of assurance on the statement of activities or assumptions. Furthermore, there will usually be differences between the budget forecasted and actual results because the events and circumstances frequently do not occur as expected, and these differences may be material. I have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying actual historical information for the year ended September 30, 2018, from which the historical data is derived, and my report thereon are set forth on pages 1 to 8 of this document.

Joe Osterfeld, CPA
Columbia, Tennessee
January 14, 2019

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING SEPTEMBER 30, 2019 (BUDGET FORECAST)

	<u>Budget</u> <u>09/30/18</u>
Revenues and Other Support	
Donations	\$ 20,000
Pow Wow	45,000
Grants and awards	280,000
Membership dues	1,000
Interest income	1,000
Total Revenues	<u>347,000</u>
Expenses	
Program Services	
Salaries	80,800
Payroll taxes	6,200
Employee benefits	23,000
Depreciation	2,944
Other expenses	156
Postage	200
Pow Wow expenses	60,000
Professional services	7,500
Rent	12,300
Repairs & maintenance	1,800
Specific assistance to individuals	97,200
Supplies	4,500
Taxes and licenses	1,400
Telephone and internet	4,100
Travel	12,200
Utilities	2,700
Total Expenses	<u>317,000</u>
Increase in Net Assets	30,000
Net assets, beginning of year	881,594
Net assets, end of year	<u><u>\$ 911,594</u></u>

See accompanying notes and accountant's compilation report.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2019 (BUDGET FORECAST)**

NOTE 1 – SUMMARY OF SIGNIFICANT BUDGET FORECAST ASSUMPTIONS

The projection presents, to the best of management's knowledge and belief, the Organization's expected results of operations for the budget forecast period. Accordingly, the budget forecast reflects management's judgment as of January 14, 2019, the date of this budget forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the budget forecast. There will usually be differences between the budget forecast and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Donations and Fundraisers

Management expects support from donations and Pow Wow activities to remain stable based on its historical experience and expectations for the local economy.

Awards

Management expects awards other than the US Department of Labor WIA grant to be consistent with the prior year.

Functional Expenses

Management expects other expenses to be consistent with the current year with estimated cost increase of approximately 3%..

Depreciation

No significant land, building, or equipment purchases are projected during the next year. Depreciation is based upon the depreciation schedule for current group of fixed assets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Native American Indian Association of Tennessee, Inc. (NAIA) is a Tennessee not-for-profit corporation. NAIA was founded October 2, 1982 and is the only non-profit 501(c)(3) statewide Native American Indian organization with an all Indian Board of Directors. NAIA's mission is to provide social services, scholarships, and cultural revitalization for the more than 15,000 Native American in Tennessee. NAIA is governed by a Board of Directors elected by its members.

Basis of Accounting

The statement of activities of the Native American Indian Association of Tennessee have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, accounts payable, and other liabilities.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2019 (BUDGET FORECAST)**

Basis of Presentation

The statement of activities' presentation follows US generally accepted accounting principles which require NAIA to report information regarding its activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The statement of activities as presented is not intended to be a complete presentation of financial statements.

Donations of Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment is reported as restricted support. Absent donor stipulations regarding how those long lived assets must be maintained, NAIA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. NAIA transfers temporarily restricted net assets to unrestricted net assets at that time.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Status

Native American Indian Association of Tennessee is an organization, which is not considered a private foundation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. NAIA's Form 990, Return of Organization Exempt from Income Tax, for the years ending September 30, 2016, 2017, and 2018 are subject to examination by the IRS, generally for 3 years after they were filed. There are no tax examinations currently in process. Management has concluded that NAIA has taken no uncertain tax positions as of September 30, 2018. Therefore, no provision for income taxes has been included in NAIA's financial statements.

Promises to Give

Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Depreciation

Depreciation is computed on a straight-line basis over the estimated useful life of assets and is reflected as an expense in the Statement of Activities.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2019 (BUDGET FORECAST)**

Restricted and Unrestricted Revenue and Support

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Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 - FINANCIAL DEPENDENCE

NAIA is substantially funded by grants from the US Department of Labor, Tennessee Department of Tourism, Metro Parks and Recreation, Tennessee Arts Commission, Metro Nashville Arts Commission, Memorial Foundation and revenues and donations from their Annual Pow Wow.

NOTE 4 - DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through January 14, 2019, the date which the financial statements were available to be issued. No material subsequent events have occurred that need to be disclosed.