

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

**JOE OSTERFELD, CPA
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**NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE, INC.
FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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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 financial statement of financial position of the Native American Indian Association of Tennessee (a not for profit corporation) as of September 30, 2013 and the related statements of activities, functional expenses, and cash flows for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Joe Osterfeld
CPA

Digitally signed by Joe Osterfeld

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Joe Osterfeld, CPA
Columbia, Tennessee
February 17, 2014

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2013

Assets

Current Assets	
Cash	\$ 189,865
Total Current Assets	<u>189,865</u>
Property and Equipment	
Land	198,270
Building	40,421
Equipment	54,123
Construction in progress	<u>32,876</u>
	325,690
Less: accumulated depreciation	<u>(63,824)</u>
Net Property and Equipment	261,866
Other Assets: Building fund	258,340
Total Assets	<u><u>\$ 710,071</u></u>

Liabilities and Net Assets

Accrued payroll expenses	\$ 1,784
Total Liabilities	<u>1,784</u>
Net Assets	
Unrestricted net assets	127,775
Temporarily restricted net assets	<u>580,512</u>
Total Net Assets	708,287
Total Liabilities and Net Assets	<u><u>\$ 710,071</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, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Other Support			
Donations	\$ 13,493	\$ 1,944	\$ 15,437
PowWow		31,956	31,956
Grants and awards		360,552	360,552
Membership dues	605		605
Interest income	104	410	514
Net assets released from restrictions:			
Satisfaction of program restrictions	348,804	(348,804)	-
Total Revenues	363,006	46,058	409,064
Expenses			
Program Services			
Scholarship and Specific Assistance	2,996		2,996
Membership Services	11,279		11,279
PowWow	43,436		43,436
WIA Program	305,723		305,723
Total Expenses	363,434	-	363,434
Increase in Net Assets	(428)	46,058	45,630
Net assets, beginning of year	128,203	534,454	662,657
Net assets, end of year	<u>\$ 127,775</u>	<u>\$ 580,512</u>	<u>\$ 708,287</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, 2013

	<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	\$ -	\$ -	\$ -	\$ 91,808	\$ 91,808
Payroll taxes	-	-	-	5,709	5,709
Employee benefits	-	-	-	23,907	23,907
Depreciation	-	1,347	-	1,201	2,548
Other expenses	-	1,329	-	-	1,329
Postage	-	733	-	838	1,571
Pow Wow expenses	-	-	43,436	-	43,436
Professional services	-	1,825	-	5,901	7,726
Rent	-	-	-	8,552	8,552
Repairs & maintenance	-	1,920	-	-	1,920
Specific assistance to individuals	2,996	-	-	148,483	151,479
Supplies	-	703	-	8,069	8,772
Telephone & internet	-	1,376	-	1,772	3,148
Travel	-	-	-	9,170	9,170
Utilities	-	2,046	-	313	2,359
Total Expenses	<u>\$ 2,996</u>	<u>\$ 11,279</u>	<u>\$ 43,436</u>	<u>\$ 305,723</u>	<u>\$ 363,434</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, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$ 45,630
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operations:	
Depreciation	2,548
(Increase) decrease in building fund cash	174,707
Increase (decrease) in accrued expenses	468
Total cash provided (used) by operations	<u>223,353</u>

INVESTING ACTIVITIES:

Fixed asset purchases	<u>(175,490)</u>
Total cash provided (used) by investing activities	(175,490)

FINANCING ACTIVITIES:

	<u>-</u>
Increase (decrease) in cash	47,863
Beginning cash balance	<u>142,002</u>
Ending cash balance	<u><u>\$ 189,865</u></u>

See accompanying notes and accountant's compilation report.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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, 2013, NAIA's accounts receivable balance was \$ 0 (zero).

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 use 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.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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, 2013 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. Accordingly, no provision for income taxes has been made. NAIA's Form 990, Return of Organization Exempt from Income Tax, for the years ending September 30, 2011, 2012, and 2013 are subject to examination by the IRS, generally for 3 years after they were filed.

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.

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.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 2 - CASH AND CREDIT RISK

Total cash held by the Native American Indian Association of Tennessee is deposited in one bank. Accounts are insured by the FDIC up to \$250,000. At September 30, 2013, NAIA had \$198,204 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, Memorail Foundation, and revenues and donations from their Annual Pow Wow.

NOTE 4 - DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through February 17, 2014, the date which the financial statements were available to be issued. No material subsequent events have occurred that need to be disclosed.