

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

**JOE OSTERFELD, CPA
CERTIFIED PUBLIC ACCOUNTANT
710 NORTH MAIN STREET ~ SUITE A
PO BOX 807
COLUMBIA, TN 38402-0807**

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE, INC.
FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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Joe Osterfeld, CPA

Certified Public Accountant

710 North Main Street - Suite A - PO Box 807 - Columbia, TN 38402-0807

Telephone: 931-388-7144 - Fax: 931-388-7239

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, 2012 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
Columbia, Tennessee
February 26, 2013

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2012

Assets

Current Assets	
Cash	\$ 142,002
Total Current Assets	<u>142,002</u>
Property and Equipment	
Land	50,000
Building	40,421
Equipment	54,115
Construction in progress	5,664
	<u>150,200</u>
Less: accumulated depreciation	<u>(61,276)</u>
Net Property and Equipment	88,924
Other Assets: Building fund	433,047
Total Assets	<u><u>\$ 663,973</u></u>

Liabilities and Net Assets

Accrued payroll expenses	\$ 1,316
Total Liabilities	<u>1,316</u>
Net Assets	
Unrestricted net assets	128,203
Temporarily restricted net assets	534,454
Total Net Assets	<u>662,657</u>
Total Liabilities and Net Assets	<u><u>\$ 663,973</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, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Other Support			
Donations	\$ 14,922	\$ 1,985	\$ 16,907
PowWow		24,899	24,899
Grants and awards		482,765	482,765
Membership dues	400		400
Interest income	100	323	423
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>245,470</u>	<u>(245,470)</u>	<u>-</u>
Total Revenues	260,892	264,502	525,394
Expenses			
Program Services			
Scholarship and Specific Assistance	3,881		3,881
Membership Services	12,430		12,430
PowWow	31,143		31,143
WIA Program	<u>188,196</u>		<u>188,196</u>
Total Expenses	235,650	-	235,650
Increase in Net Assets	25,242	264,502	289,744
Net assets, beginning of year	102,961	269,952	372,913
Net assets, end of year	<u>\$ 128,203</u>	<u>\$ 534,454</u>	<u>\$ 662,657</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, 2012

		<u>Program Services</u>			
	Scholarship & Specific Assistance	Other Membership Services	Pow Wow	WIA Program	Total
Salaries	\$ -	\$ -	\$ -	\$ 62,362	\$ 62,362
Payroll taxes	-	-	-	4,857	4,857
Employee benefits	-	-	-	16,482	16,482
Advertising	-	-	-	4,275	4,275
Depreciation	-	1,347	-	1,200	2,547
Other expenses	-	20	-	35	55
Pow Wow expenses	-	-	31,143	-	31,143
Professional services	-	2,076	-	3,365	5,441
Rent	-	-	-	8,412	8,412
Repairs & maintenance	-	550	-	-	550
Specific assistance to individuals	3,881	-	-	66,700	70,581
Supplies	-	4,331	-	3,405	7,736
Telephone	-	2,032	-	1,767	3,799
Training & professional development	-	-	-	1,610	1,610
Travel	-	-	-	13,461	13,461
Utilities	-	2,074	-	265	2,339
Total Expenses	<u>\$ 3,881</u>	<u>\$ 12,430</u>	<u>\$ 31,143</u>	<u>\$ 188,196</u>	<u>\$ 235,650</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, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$ 289,744
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operations:	
Depreciation	2,547
(Increase) decrease in building fund cash	(246,499)
Increase (decrease) in accrued expenses	(157)
Total cash provided (used) by operations	<u>45,635</u>

INVESTING ACTIVITIES:

Fixed asset purchases	<u>(5,514)</u>
Total cash provided (used) by investing activities	(5,514)

FINANCING ACTIVITIES:

Increase (decrease) in cash	<u>40,121</u>
Beginning cash balance	<u>101,881</u>
Ending cash balance	<u><u>\$ 142,002</u></u>

See accompanying notes and accountant's compilation report.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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.

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, 2012, 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.

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.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

Fair Values of Financial Instruments

Financial instruments of NAIA include cash. Management estimates that the fair value of all financial instruments at September 30, 2011 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, 2010, 2011, and 2012 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.

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, 2012, NAIA had \$326,750 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.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE 3 - FINANCIAL DEPENDENCE

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

NOTE 4 - DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through February 26, 2013, the date which the financial statements were available to be issued. No material subsequent events have occurred that need to be disclosed.