



**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE**

**FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING
SEPTEMBER 30, 2018 (BUDGET FORECAST)**

**JOE OSTERFELD, CPA
CERTIFIED PUBLIC ACCOUNTANT
214 WEST FIFTH STREET ~ SUITE B
PO BOX 807
COLUMBIA, TN 38402-0807**

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE, INC.

**FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING SEPTEMBER 30, 2018 (BUDGET FORECAST)**

TABLE OF CONTENTS

	<u>Page</u>
<u>Historical Financial Statements</u>	
Independent Accountant's Compilation Report	1
Financial Statements:	
Financial Position	2
Statement of Activities	3
Statements of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6
 <u>Budget Forecast Financial Statements</u>	
Independent Accountant's Compilation Report on Budget Forecast	9
Financial Statements:	
Statement of Activities	10
Notes to Statement of Activities	11

Joe Osterfeld, CPA
Certified Public Accountant
214 West Fifth Street ~ Suite B ~ PO Box 807 ~ Columbia, TN 38402-0807
Telephone: 931-388-7144 ~ E-mail: joeosterfeldcpa@att.net

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, 2017 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

Digitally signed by Joe Osterfeld CPA
DN: cn=Joe Osterfeld CPA, o, ou,
email=joeosterfeldcpa@att.net, c=US
Date: 2018.02.12 19:25:58 -06'00'

Joe Osterfeld, CPA
Columbia, Tennessee
February 12, 2018

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2017

Assets

Current Assets	
Cash	\$ 289,335
Total Current Assets	<u>289,335</u>
Property and Equipment	
Land	198,270
Building	40,421
Equipment	59,959
Construction in progress	<u>65,819</u>
	364,469
Less: accumulated depreciation	<u>(75,021)</u>
Net Property and Equipment	289,448
Other Assets: Building fund	242,115
Total Assets	<u><u>\$ 820,898</u></u>

Liabilities and Net Assets

Accrued payroll expenses	\$ 1,721
Total Liabilities	<u>1,721</u>
Net Assets	
Unrestricted net assets	153,176
Temporarily restricted net assets	<u>666,001</u>
Total Net Assets	819,177
Total Liabilities and Net Assets	<u><u>\$ 820,898</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, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Other Support			
Donations	\$ 14,305	\$ 3,727	\$ 18,032
PowWow		49,913	49,913
Grants and awards		273,128	273,128
Membership dues	780		780
Interest income	444		444
Net assets released from restrictions:			
Satisfaction of program restrictions	303,309	(303,309)	-
Total Revenues	318,838	23,459	342,297
Expenses			
Program Services			
Scholarship and Specific Assistance	2,010		2,010
Membership Services	22,392		22,392
PowWow	47,993		47,993
WIA Program	215,085		215,085
Total Expenses	287,480	-	287,480
Increase in Net Assets	31,358	23,459	54,817
Net assets, beginning of year	121,818	642,542	764,360
Net assets, end of year	<u>\$ 153,176</u>	<u>\$ 666,001</u>	<u>\$ 819,177</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, 2017

	Program Services				
	Scholarship & Specific Assistance	Other Membership Services	Pow Wow	WIA Program	Total
Salaries	\$ -	\$ -	\$ -	\$ 88,826	\$ 88,826
Payroll taxes	-	-	-	5,683	5,683
Employee benefits	-	-	-	23,011	23,011
Depreciation	-	1,347	-	1,597	2,944
Other expenses	-	282	-	728	1,010
Postage	-	35	-	168	203
Pow Wow expenses	-	-	47,993	-	47,993
Professional services	-	513	-	5,287	5,800
Rent	-	900	-	8,940	9,840
Repairs & maintenance	-	5,669	-	-	5,669
Specific assistance to individuals	2,010	-	-	52,825	54,835
Supplies	-	2,801	-	13,060	15,861
Taxes and licenses	-	6,996	-	1,690	8,686
Telephone & internet	-	1,965	-	2,178	4,143
Travel & professional development	-	177	-	10,805	10,982
Utilities	-	1,707	-	287	1,994
Total Expenses	<u>\$ 2,010</u>	<u>\$ 22,392</u>	<u>\$ 47,993</u>	<u>\$ 215,085</u>	<u>\$ 287,480</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, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$ 54,817
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operations:	
Depreciation	2,944
(Increase) decrease in building fund cash	(6,998)
Increase (decrease) in accrued expenses	(383)
Total cash provided (used) by operations	<u>50,380</u>

INVESTING ACTIVITIES:

-

FINANCING ACTIVITIES:

-

Increase (decrease) in cash	50,380
Beginning cash balance	<u>238,955</u>
Ending cash balance	<u><u>\$ 289,335</u></u>

See accompanying notes and accountant's compilation report.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

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, 2017, NAIA's accounts receivable balance was \$ 0 (zero).

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

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, 2017 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, 2015, 2016, and 2017 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, 2017. 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, 2017**

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, 2017, NAIA had \$244,686 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 February 12, 2018, 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

214 West Fifth Street - Suite B - PO Box 807 - Columbia, TN 38402-0807
Telephone: 931-388-7144 - E-mail: joeosterfeldcpa@att.net

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, 2018 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, 2017, 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
February 12, 2018

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING SEPTEMBER 30, 2018 (BUDGET FORECAST)

	Budget 09/30/18
Revenues and Other Support	\$ 14,000
Donations	45,000
Pow Wow	270,000
Grants and awards	800
Membership dues	200
Interest income	<u>330,000</u>
Total Revenues	
Expenses	
Program Services	91,500
Salaries	7,000
Payroll taxes	23,700
Employee benefits	2,944
Depreciation	1,206
Other expenses	250
Postage	43,000
Pow Wow expenses	6,000
Professional services	10,200
Rent	5,800
Repairs & maintenance	56,500
Specific assistance to individuals	16,300
Supplies	8,950
Taxes and licenses	4,300
Telephone and internet	11,300
Travel	2,050
Utilities	<u>291,000</u>
Total Expenses	
	39,000
Increase in Net Assets	
	818,457
Net assets, beginning of year	
	<u>\$ 857,457</u>
Net assets, end of year	

See accompanying notes and accountant's compilation report.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2018 (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 February 12, 2018, 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, 2018 (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, 2015, 2016, and 2017 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, 2017. 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, 2018 (BUDGET FORECAST)**

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 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 February 12, 2018, the date which the financial statements were available to be issued. No material subsequent events have occurred that need to be disclosed.