

**NATIVE AMERICAN INDIAN  
ASSOCIATION OF TENNESSEE**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2007**

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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, 2007 and the related statements of activities, functional expenses, and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

A handwritten signature in black ink that reads "Joe Osterfeld, CPA". The signature is written in a cursive, flowing style.

Joe Osterfeld, CPA  
Columbia, Tennessee  
February 12, 2008

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2007

Assets

Current Assets	
Cash	\$ 217,366
Total Current Assets	<u>217,366</u>
Property and Equipment	
Land	50,000
Building	40,421
Equipment	<u>45,714</u>
	136,135
Less: accumulated depreciation	<u>(51,384)</u>
Net Property and Equipment	84,751
Total Assets	<u><u>\$ 302,117</u></u>

Liabilities and Net Assets

Total Liabilities	\$ -
Net Assets	
Unrestricted net assets	101,097
Temporarily restricted net assets	<u>201,020</u>
Total Net Assets	<u>302,117</u>
Total Liabilities and Net Assets	<u><u>\$ 302,117</u></u>

See accountant's compilation report.

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Other Support			
Donations	\$ 15,383	\$ 25,420	\$ 40,803
Pow Wow	41,074		41,074
Awards		11,000	11,000
Membership dues	345		345
Interest income	3,808		3,808
Net assets released from restrictions:			-
Satisfaction of program restrictions	16,199	(16,199)	-
Total Revenues	76,809	20,221	97,030
Expenses			
Program Services			-
Scholarship and Specific Assistance	2,800		2,800
Membership Services	15,526		15,526
Winterfest/Springfest & PowWow	66,471		66,471
Total Expenses	84,797	-	84,797
Increase in Net Assets	(7,988)	20,221	12,233
Net assets, beginning of year	109,085	180,799	289,884
Net assets, end of year	<u>\$ 101,097</u>	<u>\$ 201,020</u>	<u>\$ 302,117</u>

See accountant's compilation report.

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Program Services</u>			
	<u>Scholarship &amp; Specific Assistance</u>	<u>Other Membership Services</u>	<u>Pow Wow</u>	<u>Total</u>
Depreciation	\$ -	\$ 1,347	\$ -	\$ 1,347
Pow Wow expenses	-	-	66,326	66,326
Insurance	-	1,668	-	1,668
Other expenses	-	20	-	20
Professional services	-	6,100	-	6,100
Repairs & maintenance	-	178	-	178
Scholarships	2,800	-	-	2,800
Specific assistance to individuals	-	1,217	-	1,217
Supplies	-	1,697	-	1,697
Telephone	-	1,653	-	1,653
Utilities	-	1,646	145	1,791
Total Expenses	<u>\$ 2,800</u>	<u>\$ 15,526</u>	<u>\$ 66,471</u>	<u>\$ 84,797</u>

See accountant's compilation report.

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$ 12,233
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operations:	
Depreciation	1,347
Total cash provided (used) by operations	<u>13,580</u>

INVESTING ACTIVITIES:

-

FINANCING ACTIVITIES:

-

Increase (decrease) in cash	13,580
Beginning cash balance	<u>203,786</u>
Ending cash balance	<u><u>\$ 217,366</u></u>

See accountant's compilation report.

**NATIVE AMERICAN INDIAN  
ASSOCIATION OF TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General**

Native American Indian Association of Tennessee, Inc. (NAIA), a Tennessee not-for-profit corporation, 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 the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, NAIA is required 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, 2007, 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 are 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, 2007**

Fair Values of Financial Instruments

Financial instruments of NAIA include cash. Management estimates that the fair value of all financial instruments at September 30, 2007 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 have been made.

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.

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 \$100,000. At September 30, 2006, NAIA had \$117,366 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 Tennessee Department of Tourism, Metro Parks and Recreation, Tennessee Arts Commission, and, revenues and donations from their Annual Pow Wow.



NATIVE AMERICAN INDIAN  
ASSOCIATION OF TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007

NOTE 4 - LAND, BUILDING, AND EQUIPMENT

Land, building, and equipment consist of:

	<u>Useful Life</u>	
Land	NA	\$ 50,000
Buildings	30	40,421
Furniture and equipment	3-7	<u>45,714</u>
		136,135
Less: Accumulated depreciation		<u>(51,384)</u>
		<u>\$ 84,751</u>

Depreciation expense for the year ended September 30, 2007 was \$1,347.