



NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE

FINANCIAL STATEMENTS SEPTEMBER 30, 2020

STATEMENT OF ACTIVITIES FOR THE YEAR ENDING SEPTEMBER 30, 2021 (BUDGET FORECAST)

STATEMENT OF ACTIVITIES FOR THE YEARS ENDING SEPTEMBER 30, 2022, 2023, 2024, 2025, AND 2026 (BUDGET FORECAST)

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NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE, INC.

**FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING SEPTEMBER 30, 2021 (BUDGET FORECAST)**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING SEPTEMBER 30, 2022, 2023, 2024, 2025, and 2026
(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, 2020 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
February 22, 2021

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020

Assets

Current Assets	
Cash	\$ 415,752
Total Current Assets	<u>415,752</u>
Property and Equipment	
Land	198,270
Building	40,421
Equipment	59,960
Construction in progress	66,024
	<u>364,675</u>
Less: accumulated depreciation	(83,494)
Net Property and Equipment	<u>281,181</u>
Other Assets: Building fund	563,544
Total Assets	<u><u>\$ 1,260,477</u></u>

Liabilities and Net Assets

Accrued payroll expenses	\$ 2,255
Total Liabilities	<u>2,255</u>
Net Assets	
Without donor restrictions	125,125
With donor restrictions	1,133,097
Total Net Assets	<u>1,258,222</u>
Total Liabilities and Net Assets	<u><u>\$ 1,260,477</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, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Other Support			
Donations	\$ 9,523	\$ 3,171	\$ 12,694
PowWow		18,177	18,177
Grants and awards		251,267	251,267
Membership dues	428		428
Interest income	2,666		2,666
Net assets released from restrictions:			
Satisfaction of program restrictions	244,324	(244,324)	-
Total Revenues	256,941	28,291	285,232
Expenses			
Program Services			
Scholarship and Specific Assistance	10,262		10,262
Membership Services	11,201		11,201
PowWow	18,351		18,351
WIA Program	216,088		216,088
Total Expenses	255,902	-	255,902
Increase in Net Assets	1,039	28,291	29,330
Net assets, beginning of year	124,086	1,104,806	1,228,892
Net assets, end of year	<u>\$ 125,125</u>	<u>\$ 1,133,097</u>	<u>\$ 1,258,222</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, 2020

	<u>Program Services</u>				
	Scholarship & Specific Assistance	Other Membership Services	Pow Wow	WIA Program	Total
Salaries	\$ -	\$ -	\$ -	\$ 102,335	\$ 102,335
Payroll taxes	-	-	-	8,103	8,103
Employee benefits	-	-	-	28,237	28,237
Depreciation	-	1,347	-	1,237	2,584
Other expenses	-	261	-	-	261
Postage	-	67	-	660	727
Pow Wow expenses	-	-	18,351	-	18,351
Professional services	-	458	-	5,471	5,929
Rent	-	-	-	9,500	9,500
Repairs & maintenance	-	380	-	-	380
Specific assistance to individuals	10,262	-	-	51,142	61,404
Supplies	-	2,605	-	1,449	4,054
Taxes and licenses	-	1,346	-	-	1,346
Telephone & internet	-	2,144	-	2,498	4,642
Travel & professional development	-	-	-	5,085	5,085
Utilities	-	2,593	-	371	2,964
Total Expenses	<u>\$ 10,262</u>	<u>\$ 11,201</u>	<u>\$ 18,351</u>	<u>\$ 216,088</u>	<u>\$ 255,902</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, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$ 29,330
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operations:	
Depreciation	2,584
(Increase) decrease in building fund cash	(1,741)
Increase (decrease) in accrued expenses	588
Total cash provided (used) by operations	<u>30,761</u>

INVESTING ACTIVITIES:

Construction in progress expenditure	<u>(205)</u>
Total cash provided (used) by investing activities	(205)

FINANCING ACTIVITIES:

	<u>-</u>
Increase (decrease) in cash	30,556
Beginning cash balance	<u>385,196</u>
Ending cash balance	<u><u>\$ 415,752</u></u>

See accompanying notes and accountant's compilation report.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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 two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions are not subject to donor-imposed stipulations. Net assets with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Generally, for net assets with donor restrictions, 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, 2019, NAIA's accounts receivable balance was \$ 0 (zero).

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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 net assets with donor restrictions. 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 net assets with donor restrictions to net assets without donor restrictions 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, 2020 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, 2018, 2019, and 2020 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, 2020. 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, 2020**

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as support without donor restrictions and with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions 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 net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions 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, 2020, NAIA had \$729,296 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, State of Tennessee, Metro Parks and Recreation, Tennessee Arts Commission, Metro Nashville Arts Commission, Memorial Foundation, Nissan Foundation, Cracker Barrel, Middle TN Electric Customer Care, and revenues and donations from their Annual Pow Wow.

NOTE 4 – COVID 19 OUTBREAK

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of corona virus originating in Wuhan, China (the Covid-19 outbreak) and the risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the Covid-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the Covid-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on NAIA's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Given the daily evolution of the Covid-19 outbreak and the global responses to curb its spread, the NAIA is not able to fully estimate the effects of the Covid-19 outbreak on its results of operations, financial condition, or liquidity for the fiscal year 2021.

Although NAIA is not able to estimate the effects of the Covid-19 outbreak, management does believe they did incur some reduction of income for the current fiscal year. NAIA was not able to hold its annual Pow Wow this year. For the year ended September 30, 2020, the reduction in these funds was not considered material. The effects on future years, if any, has not been determined.

NOTE 5 - DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through February 22, 2021, 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, 2020 and the budget forecasts for the years ending September 30, 2022, 2023, 2024, 2025, and 2026 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, 2019, from which the historical data is derived, and my report thereon are set forth on pages 1 to 9 of this document.

Joe Osterfeld, CPA

Columbia, Tennessee

February 22, 2021

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDING SEPTEMBER 30, 2021 (BUDGET FORECAST)

	<u>Budget</u> <u>9/30/2021</u>
Revenues and Other Support	
Donations	\$ 11,000
Pow Wow	-
Grants and awards	230,000
Membership dues	500
Interest income	2,500
Total Revenues	<u>244,000</u>
Expenses	
Program Services	
Salaries	105,000
Payroll taxes	8,100
Employee benefits	29,000
Depreciation	2,347
Other expenses	953
Postage	700
Pow Wow expenses	3,000
Professional services	6,100
Rent	9,800
Repairs & maintenance	400
Specific assistance to individuals	60,000
Supplies	4,200
Taxes and licenses	1,400
Telephone and internet	4,800
Travel	5,200
Utilities	3,000
Total Expenses	<u>244,000</u>
Increase in Net Assets	-
Net assets, beginning of year	1,258,222
Net assets, end of year	<u><u>\$ 1,258,222</u></u>

See accompanying notes and accountant's compilation report.

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDING SEPTEMBER 30, 2022, 2023, 2024, 2025, 2026 (BUDGET FORECAST)

	<u>Budget 9/30/2022</u>	<u>Budget 9/30/2023</u>	<u>Budget 9/30/2024</u>	<u>Budget 9/30/2025</u>	<u>Budget 9/30/2026</u>
Revenues and Other Support					
Donations	\$ 12,000	\$ 12,500	\$ 13,300	\$ 13,600	\$ 13,900
Pow Wow	40,000	41,000	42,000	43,500	45,000
Grants and awards	252,000	260,000	268,000	276,000	284,000
Membership dues	900	1,400	1,600	1,800	2,000
Interest income	100	100	100	100	100
Total Revenues	<u>305,000</u>	<u>315,000</u>	<u>325,000</u>	<u>335,000</u>	<u>345,000</u>
Expenses					
Program Services					
Salaries	108,000	111,000	114,000	117,000	120,000
Payroll taxes	8,600	8,900	9,200	9,400	9,600
Employee benefits	30,000	31,000	32,000	33,000	34,000
Other expenses	300	1,050	800	650	500
Postage	700	750	800	850	900
Pow Wow expenses	40,000	41,000	42,000	43,500	45,000
Professional services	6,300	6,500	6,700	6,900	7,100
Rent	-	-	-	-	-
Repairs & maintenance	1,500	1,500	1,500	1,500	1,500
Specific assistance to individuals	60,000	60,000	60,000	60,000	60,000
Supplies	4,200	4,200	4,200	4,200	4,200
Taxes and licenses	1,400	1,400	1,400	1,400	1,400
Telephone and internet	5,000	5,200	5,400	5,600	5,800
Travel	10,000	10,300	10,600	10,900	11,200
Utilities	6,000	6,200	6,400	6,600	6,800
Total Expenses Before Depreciation	<u>282,000</u>	<u>289,000</u>	<u>295,000</u>	<u>301,500</u>	<u>308,000</u>
Increase in Net Assets Before Depreciation **	<u>23,000</u>	<u>26,000</u>	<u>30,000</u>	<u>33,500</u>	<u>37,000</u>
Depreciation	53,298	53,298	53,298	53,298	53,298
Increase in Net Assets	<u>\$ (30,298)</u>	<u>\$ (27,298)</u>	<u>\$ (23,298)</u>	<u>\$ (19,798)</u>	<u>\$ (16,298)</u>
Net assets, beginning of year ***	2,256,222	2,225,924	2,198,626	2,175,328	2,155,530
Net assets, end of year	<u><u>2,225,924</u></u>	<u><u>2,198,626</u></u>	<u><u>2,175,328</u></u>	<u><u>2,155,530</u></u>	<u><u>2,139,232</u></u>

Note **: The increase in net assets before depreciation approximates the cashflow from operations for each year.

Note ***: The budget for FY 9/30/2021 on page 11 excludes any grant for completion of the Center.

Budgeted net assets at 9/30/2021 on page 11	\$ 1,258,222
Estimated grants and contributions to complete the Center	998,000
Estimated net assets with grants and contributions to complete the Center	<u>\$ 2,256,222</u>

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2021 (BUDGET FORECAST)
AND SEPTEMBER 30, 2022, 2023, 2024, 2025, AND 2026 (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 22, 2021, 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. The budget forecasts for the fiscal years September 30, 2022, 2023, 2024, 2025, and 2026 assume that the Native American Indian Association Center will be completed and operational.

Donations and Fundraisers

Management expects support from donations to remain stable based on its historical experience and expectations for the local economy. Due to the uncertainty of the ability to carry on large public events in 2021, management expects revenues from Pow Wow activities to be minimal. For fiscal years September 30, 2022 and thereafter Pow Wow revenues are expected to be consistent with historical amounts of approximately \$40,000 and growing 3% thereafter. Pow Wow expenses are expected to be approximately the same as Pow Wow revenues.

Awards

Management expects awards other than the US Department of Labor WIA grant to be consistent with the prior year. Management also is projecting that it will receive \$998,000 in grants, awards, and donations to enable it to complete the Center by October 1, 2021.

Functional Expenses

Management expects other expenses to be consistent with the current year with estimated cost increase of approximately 3% for the September 30, 2021 fiscal year. In the years thereafter, the budget forecasts expect NAIA to have completed its Center which will increase maintenance and utilities. Expenses are generally expected to increase 3% per year thereafter. Rent expense is assumed to be eliminated when the new Center is completed and the WIA program moves into the Center.

Depreciation

For the fiscal years ending September 30, 2022, 2023, 2024, 2025, 2026, it is assumed that the Center will be completed and occupied. In addition to the \$66,024 of construction in progress at September 30, 2020, it is estimated that another \$1,812,000 will need to be spent to complete the Center and \$50,000 to furnish it. In addition to the funds on hand, approximately \$998,000 will be needed to complete the Center and furnish it. Depreciation is based upon the depreciation schedule for current group of fixed assets and the estimated costs of the Center.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2021 (BUDGET FORECAST)
AND SEPTEMBER 30, 2022, 2023, 2024, 2025, AND 2026 (BUDGET FORECAST)**

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.

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 two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions are not subject to donor-imposed stipulations. Net assets with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Generally, for net assets with donor restrictions, 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. 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 use to acquire property and equipment is reported as net assets with donor restrictions. 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 net assets with donor restrictions to net assets without donor restrictions 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.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2021 (BUDGET FORECAST)
AND SEPTEMBER 30, 2022, 2023, 2024, 2025, AND 2026 (BUDGET FORECAST)**

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, 2018, 2019, and 2020 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, 2020. 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.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as support without donor restrictions and with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions 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 net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions 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, State of Tennessee, Metro Parks and Recreation, Tennessee Arts Commission, Metro Nashville Arts Commission, Memorial Foundation, Nissan Foundation, Cracker Barrel, Middle TN Electric Customer Care, and revenues and donations from their Annual Pow Wow.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2021 (BUDGET FORECAST)
AND SEPTEMBER 30, 2022, 2023, 2024, 2025, AND 2026 (BUDGET FORECAST)**

NOTE 4 – COVID 19 OUTBREAK

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of corona virus originating in Wuhan, China (the Covid-19 outbreak) and the risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the Covid-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the Covid-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on NAIA's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

Given the daily evolution of the Covid-19 outbreak and the global responses to curb its spread, the NAIA is not able to fully estimate the effects of the Covid-19 outbreak on its results of operations, financial condition, or liquidity for the fiscal year 2021 or beyond.

NOTE 4 - DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through February 22, 2021, the date which the financial statements were available to be issued. No material subsequent events have occurred that need to be disclosed.