

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

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NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE, INC.
FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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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, 2015 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 22, 2016

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2015

Assets

Current Assets	
Cash	\$ 214,600
Total Current Assets	<u>214,600</u>
Property and Equipment	
Land	198,270
Building	40,421
Equipment	54,640
Construction in progress	58,875
	<u>352,206</u>
Less: accumulated depreciation	(68,945)
Net Property and Equipment	<u>283,261</u>
Other Assets: Building fund	235,501
Total Assets	<u><u>\$ 733,362</u></u>

Liabilities and Net Assets

Accrued payroll expenses	\$ 1,981
Total Liabilities	<u>1,981</u>
Net Assets	
Unrestricted net assets	130,274
Temporarily restricted net assets	601,107
Total Net Assets	<u>731,381</u>
Total Liabilities and Net Assets	<u><u>\$ 733,362</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, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Other Support			
Donations	\$ 1,528	\$ 6,181	\$ 7,709
PowWow		48,994	48,994
Grants and awards		237,740	237,740
Membership dues	510		510
Interest income	74	120	194
Net assets released from restrictions:			
Satisfaction of program restrictions	249,876	(249,876)	-
Total Revenues	251,988	43,159	295,147
Expenses			
Program Services			
Scholarship and Specific Assistance	650		650
Membership Services	10,582		10,582
PowWow	55,576		55,576
WIA Program	187,545		187,545
Total Expenses	254,353	-	254,353
Increase in Net Assets	(2,365)	43,159	40,794
Net assets, beginning of year	132,639	557,948	690,587
Net assets, end of year	<u>\$ 130,274</u>	<u>\$ 601,107</u>	<u>\$ 731,381</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, 2015

	<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	\$ -	\$ -	\$ -	\$ 96,426	\$ 96,426
Payroll taxes	-	-	-	6,237	6,237
Employee benefits	-	-	-	24,501	24,501
Depreciation	-	1,347	-	1,227	2,574
Other expenses	-	1,789	-	70	1,859
Postage	-	-	-	867	867
Pow Wow expenses	-	-	55,576	-	55,576
Professional services	-	296	-	5,777	6,073
Rent	-	-	-	8,832	8,832
Repairs & maintenance	-	1,558	-	-	1,558
Specific assistance to individuals	650	-	-	30,459	31,109
Supplies	-	1,816	-	2,167	3,983
Telephone & internet	-	1,553	-	2,332	3,885
Travel	-	-	-	8,342	8,342
Utilities	-	2,223	-	308	2,531
Total Expenses	<u>\$ 650</u>	<u>\$ 10,582</u>	<u>\$ 55,576</u>	<u>\$ 187,545</u>	<u>\$ 254,353</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, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$ 40,794
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operations:	
Depreciation	2,574
(Increase) decrease in building fund cash	19,638
Increase (decrease) in accrued expenses	172
Total cash provided (used) by operations	<u>63,178</u>

INVESTING ACTIVITIES:

Fixed asset purchases	<u>(22,605)</u>
Total cash provided (used) by investing activities	(22,605)

FINANCING ACTIVITIES:

	<u>-</u>
Increase (decrease) in cash	40,573
Beginning cash balance	<u>174,027</u>
Ending cash balance	<u><u>\$ 214,600</u></u>

See accompanying notes and accountant's compilation report.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015**

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, 2015, 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, 2015**

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, 2014 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, 2012, 2013, and 2014 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, 2014. 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.

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, 2015**

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, 2015, NAIA had \$200,101 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 22, 2016, the date which the financial statements were available to be issued. No material subsequent events have occurred that need to be disclosed.