

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

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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, 2010 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 22, 2011

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2010

Assets

Current Assets	
Cash	\$ 263,802
Total Current Assets	<u>263,802</u>
Property and Equipment	
Land	50,000
Building	40,421
Equipment	45,714
	<u>136,135</u>
Less: accumulated depreciation	(56,774)
Net Property and Equipment	<u>79,361</u>
Total Assets	<u><u>\$ 343,163</u></u>

Liabilities and Net Assets

Accounts payable	\$ 1,480
Accrued payroll expenses	4,432
Total Liabilities	<u>5,912</u>
Net Assets	
Unrestricted net assets	101,196
Temporarily restricted net assets	236,055
Total Net Assets	<u>337,251</u>
Total Liabilities and Net Assets	<u><u>\$ 343,163</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, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and Other Support			
Donations	\$ 11,122	\$ 16,954	\$ 28,076
PowWow		25,177	25,177
Awards		35,466	35,466
Membership dues	420		420
Interest income	72	718	790
Net assets released from restrictions:			
Satisfaction of program restrictions	75,032	(75,032)	-
Total Revenues	86,646	3,283	89,929
Expenses			
Program Services			
Scholarship and Specific Assistance	200		200
Membership Services	13,223		13,223
PowWow	51,776		51,776
WIA Program	22,038		22,038
Total Expenses	87,237	-	87,237
Increase in Net Assets	(591)	3,283	2,692
Net assets, beginning of year	101,787	232,772	334,559
Net assets, end of year	<u>\$ 101,196</u>	<u>\$ 236,055</u>	<u>\$ 337,251</u>

See accompanying notes and accountant's compilation report.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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 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, 2010, 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
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<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	\$ -	\$ -	\$ -	\$ 9,985	\$ 9,985
Payroll taxes	-	-	-	764	764
Depreciation	-	2,694	-	-	2,694
Pow Wow expenses	-	-	51,776	-	51,776
Insurance	-	341	-	-	341
Other expenses	-	20	-	-	20
Professional services	-	1,525	-	520	2,045
Rent	-	-	-	2,025	2,025
Repairs & maintenance	-	1,005	-	-	1,005
Scholarships	200	-	-	-	200
Specific assistance to individuals	-	1,963	-	3,024	4,987
Supplies	-	1,361	-	4,584	5,945
Telephone	-	2,399	-	636	3,035
Travel	-	-	-	500	500
Utilities	-	1,915	-	-	1,915
Total Expenses	<u>\$ 200</u>	<u>\$ 13,223</u>	<u>\$ 51,776</u>	<u>\$ 22,038</u>	<u>\$ 87,237</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, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$ 2,692
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operations:	
Depreciation	2,694
Increase (decrease) in accounts payable	1,480
Increase (decrease) in accounts payable	<u>4,433</u>
Total cash provided (used) by operations	<u>11,299</u>

INVESTING ACTIVITIES:

-

FINANCING ACTIVITIES:

-

Increase (decrease) in cash	11,299
Beginning cash balance	<u>252,503</u>
Ending cash balance	<u><u>\$ 263,802</u></u>

See accompanying notes and accountant's compilation report.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

Fair Values of Financial Instruments

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

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 \$250,000. At September 30, 2010, NAIA had \$13,802 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, and, revenues and donations from their Annual Pow Wow.

**NATIVE AMERICAN INDIAN
ASSOCIATION OF TENNESSEE
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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		45,714
			<u>136,135</u>
Less: Accumulated depreciation			<u>(56,774)</u>
		\$	<u>79,361</u>

Depreciation expense for the year ended September 30, 2010 was \$2,694.

NOTE 5 - DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through February 22, 2011 which is the financial statement issuance date. No material subsequent events have occurred that need to be disclosed.