



# **NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE**

## **FINANCIAL STATEMENTS SEPTEMBER 30, 2021**

### **STATEMENT OF ACTIVITIES FOR THE YEAR ENDING SEPTEMBER 30, 2022 (BUDGET FORECAST)**

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**NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE, INC.**

**FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDING SEPTEMBER 30, 2022 (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, 2021 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 17, 2022

NATIVE AMERICAN INDIAN ASSOCIATION OF TENNESSEE  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2021

Assets

Current Assets	
Cash	\$ 479,877
Total Current Assets	<u>479,877</u>
Property and Equipment	
Land	198,270
Building	40,421
Equipment	59,960
Construction in progress	<u>129,314</u>
	427,965
Less: accumulated depreciation	<u>(85,840)</u>
Net Property and Equipment	342,125
Other Assets: Building fund	508,557
Total Assets	<u><u>\$ 1,330,559</u></u>

Liabilities and Net Assets

Accrued payroll expenses	\$ -
Total Liabilities	<u>-</u>
Net Assets	
Without donor restrictions	74,357
With donor restrictions	<u>1,256,202</u>
Total Net Assets	1,330,559
Total Liabilities and Net Assets	<u><u>\$ 1,330,559</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, 2021

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Revenues and Other Support			
Donations	\$ 10,952	\$ 6,120	\$ 17,072
PowWow		4,450	4,450
Grants and awards		368,740	368,740
Membership dues	737		737
Interest income	539		539
Net assets released from restrictions:			
Satisfaction of program restrictions	256,205	(256,205)	-
Total Revenues	268,433	123,105	391,538
Expenses			
Program Services			
Scholarship and Specific Assistance	1,178		1,178
Membership Services	16,150		16,150
PowWow	16,394		16,394
WIA Program	285,479		285,479
Total Expenses	319,201	-	319,201
Increase in Net Assets	(50,768)	123,105	72,337
Net assets, beginning of year	125,125	1,133,097	1,258,222
Net assets, end of year	<u>\$ 74,357</u>	<u>\$ 1,256,202</u>	<u>\$ 1,330,559</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, 2021

	<u>Program Services</u>				
	Scholarship & Specific Assistance	Other Membership Services	Pow Wow	WIA Program	Total
Salaries	\$ -	\$ -	\$ -	\$ 83,001	\$ 83,001
Payroll taxes	-	-	-	6,192	6,192
Employee benefits	-	-	-	26,009	26,009
Depreciation	-	1,347	-	999	2,346
Other expenses	-	2,122	-	-	2,122
Postage	-	253	-	330	583
Pow Wow expenses	-	-	16,394	-	16,394
Professional services	-	3,464	-	6,001	9,465
Rent	-	-	-	9,616	9,616
Repairs & maintenance	-	1,100	-	-	1,100
Specific assistance to individuals	1,178	-	-	130,933	132,111
Supplies	-	1,559	-	14,565	16,124
Taxes and licenses	-	1,801	-	-	1,801
Telephone & internet	-	2,254	-	2,626	4,880
Travel & professional development	-	-	-	4,800	4,800
Utilities	-	2,250	-	407	2,657
Total Expenses	<u>\$ 1,178</u>	<u>\$ 16,150</u>	<u>\$ 16,394</u>	<u>\$ 285,479</u>	<u>\$ 319,201</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, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$ 72,337
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operations:	
Depreciation	2,346
Increase (decrease) in accrued expenses	<u>(2,255)</u>
Total cash provided (used) by operations	<u>72,428</u>

INVESTING ACTIVITIES:

Construction in progress expenditure	<u>(63,290)</u>
Total cash provided (used) by investing activities	<u>(63,290)</u>

FINANCING ACTIVITIES:

Building fund payments for construction in progress	<u>54,987</u>
Total cash provided (used) by investing activities	<u>54,987</u>

Increase (decrease) in cash	64,125
Beginning cash balance	<u>415,752</u>
Ending cash balance	<u><u>\$ 479,877</u></u>

See accompanying notes and accountant's compilation report.

**NATIVE AMERICAN INDIAN  
ASSOCIATION OF TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**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, 2021, NAIA's accounts receivable balance was \$ 0 (zero).



**NATIVE AMERICAN INDIAN  
ASSOCIATION OF TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

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, 2021 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, 2019, 2020, and 2021 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, 2021. 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, 2021**

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, 2021, NAIA had \$738,000 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 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects NAIA's financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date:

Financial assets at year-end	\$ 479,877
Less: Those unavailable for general expenditures	
within one year, due to: Donor restrictions or board designations	<u>335,317</u>
Financial assets available to meet cash needs	
for general expenditures within one year	<u>\$ 144,560</u>

**NATIVE AMERICAN INDIAN  
ASSOCIATION OF TENNESSEE  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021**

**NOTE 5 – 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.

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, 2021, the reduction in these funds was not considered material. The effects on future years, if any, has not been determined.

**NOTE 6 - DATE OF MANAGEMENT'S REVIEW**

Management has evaluated subsequent events through February 17, 2022, 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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Telephone: 931-388-7144 ~ E-mail: [joeosterfeldcpa@att.net](mailto: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, 2022 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, 2021, 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 17, 2022

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

	<b><u>Budget</u></b> <b><u>9/30/2022</u></b>
Revenues and Other Support	
Donations	\$ 13,000
Pow Wow	66,000
Grants and awards	300,000
Membership dues	500
Interest income	500
Total Revenues	<u>380,000</u>
Expenses	
Program Services	
Salaries	85,000
Payroll taxes	6,500
Employee benefits	26,800
Depreciation	1,347
Other expenses	2,253
Postage	700
Pow Wow expenses	76,000
Professional services	9,500
Rent	9,700
Repairs & maintenance	1,100
Specific assistance to individuals	130,000
Supplies	16,600
Taxes and licenses	1,900
Telephone and internet	5,000
Travel	4,900
Utilities	2,700
Total Expenses	<u>380,000</u>
Increase in Net Assets	-
Net assets, beginning of year	1,330,559
Net assets, end of year	<u><u>\$ 1,330,559</u></u>

See accompanying notes and accountant's compilation report.

**NATIVE AMERICAN INDIAN  
ASSOCIATION OF TENNESSEE  
NOTES TO STATEMENT OF ACTIVITIES  
SEPTEMBER 30, 2022 (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 17, 2022, 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 to remain stable based on its historical experience and expectations for the local economy. Due to the reduced uncertainty of the ability to carry on large public events in 2022, management expects revenues from Pow Wow activities to be more consistent with revenues prior to the COVID-19 Outbreak.

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, 2022 (BUDGET FORECAST)**

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 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. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Status

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Promises to Give

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**NATIVE AMERICAN INDIAN  
ASSOCIATION OF TENNESSEE  
NOTES TO STATEMENT OF ACTIVITIES  
SEPTEMBER 30, 2022 (BUDGET FORECAST)**

Depreciation

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**NATIVE AMERICAN INDIAN  
ASSOCIATION OF TENNESSEE  
NOTES TO STATEMENT OF ACTIVITIES  
SEPTEMBER 30, 2022 (BUDGET FORECAST)**

**NOTE 4 - DATE OF MANAGEMENT'S REVIEW**

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