

THE CENTER FOR NATIVE HEALTH, INC.

INDEPENDENT ACCOUNTANTS' REVIEW REPORT
AND FINANCIAL STATEMENTS

YEARS ENDED
DECEMBER 31, 2022 AND DECEMBER 31, 2021



CORLISS &
SOLOMON
PLLC

CERTIFIED PUBLIC ACCOUNTANTS

The Center for Native Health, Inc.

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
The Center for Native Health, Inc.
Whittier, North Carolina

We have reviewed the accompanying financial statements of The Center for Native Health, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of December 31, 2022 and December 31, 2021, the related modified cash basis statements of support, expenses and changes in net assets, functional expenses, and cash activities for the years then ended, and the related disclosures to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of The Center for Native Health, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with modified cash basis of accounting.

Basis of Accounting

We draw your attention to Disclosure 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Corliss & Solomon, PLLC

Asheville, North Carolina
June 6, 2023

The Center for Native Health, Inc.

Statement of Assets, Liabilities and Net Assets - Modified Cash Basis

As of December 31, 2022 and December 31, 2021

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 572,742	\$ 340,682
Total Current Assets	<u>\$ 572,742</u>	<u>\$ 340,682</u>
<u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Credit Card Payable	\$ 823	\$ -
Payroll Liabilities	136	6,417
Total Current Liabilities	<u>959</u>	<u>6,417</u>
<u>Net Assets</u>		
Without Donor Restrictions	91,600	30,895
With Donor Restrictions	480,183	303,370
Total Net Assets	<u>571,783</u>	<u>334,265</u>
Total Liabilities and Net Assets	<u>\$ 572,742</u>	<u>\$ 340,682</u>

See accompanying disclosures and independent accountants' review report.

The Center for Native Health, Inc.
Statement of Support, Expenses and Changes in Net Assets -
Modified Cash Basis
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Support and Revenue</u>			
Grants	\$ 51,000	\$ 546,398	\$ 597,398
Contributions	6,279	6,259	12,538
Program Income	8,486	-	8,486
Miscellaneous Income	232	-	232
Net Assets Released from Restriction	375,844	(375,844)	-
Total Support and Revenue	441,841	176,813	618,654
<u>Expenses</u>			
Program Services	314,826	-	314,826
Management and General	56,108	-	56,108
Fundraising	10,202	-	10,202
Total Expenses	381,136	-	381,136
Change in Net Assets	60,705	176,813	237,518
Net Assets, Beginning of Year	30,895	303,370	334,265
Net Assets, End of Year	\$ 91,600	\$ 480,183	\$ 571,783

See accompanying disclosures and independent accountants' review report.

The Center for Native Health, Inc.
Statement of Support, Expenses and Changes in Net Assets -
Modified Cash Basis
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Support and Revenue</u>			
Grants	\$ -	\$ 339,500	\$ 339,500
Contributions	27,268	-	27,268
Miscellaneous Income	150	-	150
Net Assets Released from Restriction	36,130	(36,130)	-
Total Support and Revenue	63,548	303,370	366,918
<u>Expenses</u>			
Program Services	32,102	-	32,102
Management and General	25,749	-	25,749
Fundraising	2,590	-	2,590
Total Expenses	60,441	-	60,441
Change in Net Assets	3,107	303,370	306,477
Net Assets, Beginning of Year	27,788	-	27,788
Net Assets, End of Year	\$ 30,895	\$ 303,370	\$ 334,265

See accompanying disclosures and independent accountants' review report.

The Center for Native Health, Inc.
Statement of Functional Expenses - Modified Cash Basis
Year Ended December 31, 2022

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Advertising & Promotion	\$ 2,730	\$ 910	\$ 910	\$ 4,550
Bank Fees	-	215	-	215
Consultants	3,000	9,000	3,000	15,000
Contract Services	30,728	7,800	-	38,528
Gifts and Donations	6,715	-	-	6,715
Honorariums	21,850	-	-	21,850
Insurance	1,615	1,615	-	3,230
Meals	1,465	1,192	-	2,657
Meetings	682	1,270	-	1,952
Membership Fees	-	330	-	330
Miscellaneous	-	1,509	-	1,509
Office Expense	-	249	-	249
Personnel Expense	64,233	14,986	4,995	84,214
Professional Development	1,482	1,482	-	2,964
Professional Fees	38,593	9,369	-	47,962
Program Expense				
MedCAT	72,820	-	-	72,820
SELU	4,880	-	-	4,880
Other	5,718	-	-	5,718
Program Supplies	9,652	-	-	9,652
Scholarships	26,000	-	-	26,000
Telephone	294	294	-	588
Travel	18,523	3,338	-	21,861
Website/IT	3,846	2,549	1,297	7,692
Total Expenses	\$ 314,826	\$ 56,108	\$ 10,202	\$ 381,136

See accompanying disclosures and independent accountants' review report.

The Center for Native Health, Inc.
Statement of Functional Expenses - Modified Cash Basis
Year Ended December 31, 2021

	Program	Management and General	Fundraising	Total
Advertising & Promotion	\$ 2,056	\$ 1,234	\$ 822	\$ 4,112
Bank Fees	-	144	-	144
Contract Services	8,552	-	-	8,552
Gifts and Donations	6,147	-	-	6,147
Meals	637	516	-	1,153
Memberships	-	275	-	275
Office Expense	-	245	-	245
Personnel Expense	4,420	2,651	1,768	8,839
Professional Fees	500	3,582	-	4,082
Program Supplies	3,252	-	-	3,252
Telephone	312	312	-	624
Travel	5,077	-	-	5,077
Website/IT	1,149	16,790	-	17,939
Total Expenses	\$ 32,102	\$ 25,749	\$ 2,590	\$ 60,441

See accompanying disclosures and independent accountants' review report.

The Center for Native Health, Inc.
Statement of Cash Activities - Modified Cash Basis
 Years Ended December 31, 2022 and December 31, 2021

	2022	2021
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ 237,518	\$ 306,477
Adjustments to reconcile change in net assets to net cash provided or used by operating activities		
Increase/(Decrease) in Operating Liabilities		
Credit Card Payable	823	-
Payroll Liabilities	(6,281)	5,530
Net Cash Provided by Operating Activities	232,060	312,007
Net Change in Cash and Cash Equivalents	232,060	312,007
Cash and Cash Equivalents, Beginning of Year	340,682	28,675
Cash and Cash Equivalents, End of Year	\$ 572,742	\$ 340,682

See accompanying disclosures and independent accountants' review report.

The Center for Native Health, Inc.

Disclosures to the Financial Statements

Years Ended December 31 2022 and December 31, 2021

1. Description of the Organization, Corporate and Tax-Exempt Status

The Center for Native Health (CNH) is a non-profit, charitable organization. It is guided by two Cherokee principals Duyvktv and Tohi, which combine to form an Indigenous structure for understanding health and wellbeing. The vision for the CNH is the reduction of health disparities for Native communities through engagement in the preservation and respectful application of community-held knowledge. This encompasses all actions that center people and their relationships in a positive way, including the arts. This project is central to our mission. To disrupt the lasting effects of historical trauma we look for projects and activities to revitalize and strengthen traditional Cherokee culture as a form of both individual and collective healing.

The organization is a non-profit corporation under the laws of the State of North Carolina and has been recognized as tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. It is classified as a publicly supported organization.

2. Summary of Significant Accounting Policies

Basis of Accounting

The records of The Center for Native Health, Inc. are maintained on the modified cash-basis of accounting and the accompanying statements have been prepared on that basis. Modifications to the cash-basis method include accruing amounts owed on credit card balances, liabilities associated with payroll activity, capitalization and depreciation of property and equipment, and accrual of loan activity. All other transactions are recognized as either cash basis revenues or expenses. The modified cash-basis differs from U.S. generally accepted accounting principles primarily because certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

Financial Statement Presentation

The classification of the organization's net assets, and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets – without donor restrictions and with donor restrictions – be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

The classes of net assets are defined as follows:

Net Assets Without Donor Restrictions – Includes net assets that are not subject to donor-imposed restrictions and that may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the organization's management and board of directors.

Net Assets With Donor Restrictions - Includes net assets that are subject to restrictions imposed by donors or grantors. Some donor and grantor restrictions are temporary in nature, such as those with a specified purpose or a timeframe for expenditure established by the donor or grantor. Other donor-imposed restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

The organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

Concentration of Credit Risk

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of cash and cash equivalents. The organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed FDIC federally insured limits. The organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Property and Equipment

Property and equipment purchases are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The organization has adopted a capitalization threshold of \$5,000 per item. Expenses for repairs and maintenance that do not improve or extend the life of an asset are expensed as incurred.

Revenue Recognition

The organization recognizes contributions, grants, and program service revenue when cash is received.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of support, expenses, and changes in net assets – modified cash basis. The statement of functional expenses – modified cash basis presents the natural classification detail of expenses by function. Certain categories of expenses that are attributable to more than one program or supporting function require management's allocation on a reasonable basis that is consistently applied. The primary allocation basis used by management for personnel expenses and applicable overhead expenses is estimated based on employee time and effort.

Income Taxes/Uncertain Tax Positions

The Center for Native Health is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. Under the Code, however, income from certain activities not related to the organization's tax-exempt purpose may be subject to taxation as unrelated business income. The organization had no income from unrelated business activities in 2022 or 2021 and was, therefore, not required to file Federal Form 990-T (Exempt Organization Business Income Tax Return). The organization believes that it has appropriate support for all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

3. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consist of cash and cash equivalents totaling \$572,742 and \$340,682 as of December 31, 2022 and December 31, 2021, respectively.

4. Cash and Cash Equivalents

Cash and cash equivalent amounts are shown in the list below.

<u>As of December 31:</u>	<u>2022</u>	<u>2021</u>
Checking Accounts	\$ 13,518	\$ 27,643
Money Market Account	559,224	313,039
Total Cash and Cash Equivalents	<u>\$ 572,742</u>	<u>\$ 340,682</u>

As of December 31, 2022, the organization's cash funds had exceeded the \$250,000 federally insured limit in cash accounts by \$325,018. These funds are held in high-quality, reputable financial institutions, and management believes the credit risk exposure on these balances does not pose a significant risk.

5. Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes:

<u>As of December 31:</u>	<u>2022</u>	<u>2021</u>
MedCaT Program	\$ 326,231	\$ 303,370
Land Management and Conservation	67,693	-
SELU Program	60,000	-
Kiln Project	26,259	-
Total Net Assets With Donor Restrictions	<u>\$ 480,183</u>	<u>\$ 303,370</u>

The MedCaT program is an academic-community partnership that creates a structured pipeline to engage Appalachian Rural and American Indian high school students with multiple resources that support the pursuit of health and biomedical science careers. The SELU Program is an organization of breastfeeding peer counselors and trained full-spectrum birth workers offering support and applying traditional ecological knowledge at no cost to indigenous families.

6. Subsequent Events

Subsequent events have been evaluated through June 6, 2023, which is the date the financial statements were available to be issued.