

THE CENTER FOR NATIVE HEALTH, INC.

INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024



CORLISS &
SOLOMON
PLLC

CERTIFIED PUBLIC ACCOUNTANTS

The Center for Native Health, Inc.

Table of Contents

Year Ended December 31, 2024

Independent Auditors' Report	1 – 2
Financial Statements:	
<i>Statement of Financial Position</i>	3
<i>Statement of Activities</i>	4
<i>Statement of Functional Expenses</i>	5
<i>Statement of Cash Flows</i>	6
Disclosures to the Financial Statements	7 – 12



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of The Center for Native Health, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related disclosures to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Center for Native Health, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. 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 relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Center for Native Health, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Center for Native Health, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Center for Native Health, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Carliss & Solomon, PLLC

Asheville, North Carolina
December 16, 2025

The Center for Native Health, Inc.

Statement of Financial Position

As of December 31, 2024

Assets

Current Assets

Cash and Cash Equivalents	\$	924,859
Investments		310,477
Grants Receivable		517,500
Contributions Receivable		65,958
Total Current Assets		<u>1,818,794</u>

Long-Term Assets

Grants Receivable, Long-Term Portion		300,202
Endowment		105,760
Total Long-Term Assets		<u>405,962</u>

Total Assets **\$ 2,224,756**

Liabilities and Net Assets

Liabilities

Accounts Payable	\$	6,029
Accrued Wages and Payroll Liabilities		17,894
Total Liabilities		<u>23,923</u>

Net Assets

Without Donor Restrictions		444,881
With Donor Restrictions		1,755,952
Total Net Assets		<u>2,200,833</u>

Total Liabilities and Net Assets **\$ 2,224,756**

The accompanying disclosures are an integral part of these financial statements.

The Center for Native Health, Inc.

Statement of Activities

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Grants	\$ 129,592	\$ 1,934,300	\$ 2,063,892
Contributions	303,006	36,000	339,006
Program Income	20,501	-	20,501
In-Kind Contributions	72,000	-	72,000
Endowment Income, Net	5,560	-	5,560
Investment Income	10,477	-	10,477
Net Assets Released from Restrictions	723,832	(723,832)	-
Total Support and Revenue	1,264,968	1,246,468	2,511,436
Expenses			
Program Services	723,291	-	723,291
Management and General	172,312	-	172,312
Fundraising	23,905	-	23,905
Total Expenses	919,508	-	919,508
Change in Net Assets	345,460	1,246,468	1,591,928
Net Assets, Beginning of Year	99,421	509,484	608,905
Net Assets, End of Year	\$ 444,881	\$ 1,755,952	\$ 2,200,833

The accompanying disclosures are an integral part of these financial statements.

The Center for Native Health, Inc.

Statement of Functional Expenses

Year Ended December 31, 2024

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<u>Personnel</u>				
Salaries	\$ 140,684	\$ 70,342	\$ 8,794	\$ 219,820
Payroll Taxes	11,564	5,782	722	18,068
Employee Benefits	6,720	3,360	420	10,500
Subtotal Personnel	<u>158,968</u>	<u>79,484</u>	<u>9,936</u>	<u>248,388</u>
Assistance to Others	30,793	-	-	30,793
Contract Services	136,894	-	-	136,894
Information Technology	-	1,360	-	1,360
Insurance	-	3,597	-	3,597
Marketing and Promotions	-	1,025	-	1,025
Meetings and Conferences	-	10,699	-	10,699
Office Expense	-	23,828	-	23,828
Professional Development	-	4,195	-	4,195
Professional Fees	-	15,418	-	15,418
Program Expenses	228,107	-	-	228,107
Scholarships	21,000	-	-	21,000
Travel and Lodging	101,449	9,666	11,089	122,204
Subtotal Expenses	<u>518,243</u>	<u>69,788</u>	<u>11,089</u>	<u>599,120</u>
In-Kind Contributions Utilized	46,080	23,040	2,880	72,000
Total Expenses	<u>\$ 723,291</u>	<u>\$ 172,312</u>	<u>\$ 23,905</u>	<u>\$ 919,508</u>

The accompanying disclosures are an integral part of these financial statements.

The Center for Native Health, Inc.

Statement of Cash Flows

Year Ended December 31, 2024

Cash Flows from Operating Activities

Change in Net Assets	\$	1,591,928
Adjustments to reconcile change in net assets to net cash provided or used by operating activities:		
Endowment Activity, Net		(5,560)
Investment Income		(10,477)
(Increase)/Decrease in Operating Assets		
Grants Receivable		(817,702)
Contributions Receivable		(65,958)
Prepaid Expenses		945
Increase/(Decrease) in Operating Liabilities		
Accounts Payable		6,029
Accrued Wages and Payroll Liabilities		(24,013)
Net Cash Provided by Operating Activities		<u>675,192</u>

Cash Flows from Investing Activities

Purchase of Certificates of Deposit		(300,000)
Contributions to Endowment Fund		(75,200)
Net Cash Used by Investing Activities		<u>(375,200)</u>
Net Change in Cash and Cash Equivalents		<u>299,992</u>
Cash and Cash Equivalents, Beginning of Year		<u>624,867</u>
Cash and Cash Equivalents, End of Year	\$	<u>924,859</u>

The accompanying disclosures are an integral part of these financial statements.

The Center for Native Health, Inc.

Disclosures to the Financial Statements

Year Ended December 31, 2024

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

The Center for Native Health, Inc. (the Organization) is a Native-led, Native-run nonprofit organization dedicated to supporting the balanced well-being of Southeastern Native communities through the preservation and respectful application of Native knowledge. Situated on the Qualla Boundary of the Eastern Band of Cherokee Indians, the Organization is guided by two cultural principles, *Duyvktv* and *Tohi*, which combine to form an indigenous structure for understanding health and well-being. Its mission is rooted in the understanding that proper health encompasses not just the body but is deeply embedded in their relationship to the land, culture, and community. Through this work, the Organization envisions a world where Indigenous Communities thrive – grounded in culture, rich in tradition, alive with laughter, and collectively shaping a future that honors the past. The Organization has four focus areas: 1.) Climate, Land, and Wellness; 2.) Relational Health; 3.) Education & Training; and 4.) Art, Language, and Healing.

Corporate and Tax-Exempt Status

The Organization was incorporated in June 2008 as a not-for-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. Contributions to the Organization qualify for the charitable contribution deduction under Section 170(b)(1)(a). The Organization is classified as a publicly supported organization under Section 509(a)(1). The Organization receives its support principally through contributions and grants.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on an accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable to not-for-profit organizations.

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 the 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.

Investments

The Organization records investment purchases at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Certificates of deposit held for investment with an original maturity greater than three months are carried at fair value and reported as investments on the statement of financial position.

Endowment

The Organization maintains a board-designated endowment to support its mission. The fund is held and managed by the Community Foundation of Western North Carolina in accord with investment guidelines established by the Organization and investing policies established by the Community Foundation of Western North Carolina. The asset is reported at fair value in accordance with U.S. GAAP.

Contributions and Grants Receivable

Contributions and Grants receivable without conditions and expected to be collected within one year are recorded at net realizable value; those expected to be collected in more than one year are recorded at the present value of their future cash flows, using a risk-adjusted interest rate. Any provision for uncollectible receivables is estimated by management based on historical collection experience.

Contributions and Grants

Contributions and grants are recognized in support: (1) when the organization receives cash, securities or other assets from a donor or grantor, (2) when a donor conveys a promise to donate in the future, on an unconditional basis, and (3) when a grantor awards a grant to be paid in the future, on an unconditional basis. Contributions and grants with conditions, such as performance requirements, are not recognized until the conditions on which they depend have been substantially met.

In-Kind Contributions

The Organization recognizes contributed goods and the use of facilities at estimated fair value on the date of receipt.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. Certain valuation techniques are used to measure fair value. There are three broad levels as follows:

Level 1 - (the highest level) inputs are based on quoted prices in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date. For example, securities traded in an active market are valued using Level 1 inputs.

Level 2 – inputs are observable inputs other than quoted prices, either directly or indirectly through corroboration with observable market data. If the asset or liability has a specified term, the Level 2 input must be observable for substantially the full term.

Level 3 – inputs are unobservable inputs for the asset or liability, meaning the inputs reflect the organization’s own assumptions about the assumptions market participants would use in pricing the asset or liability, including inputs related to risk, which have been developed based on the best information available in the circumstances.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 activities. The statement of functional expenses presents the details of the natural classification 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, Inc. is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. Under the Code, however, income from certain activities unrelated 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 2024 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, are comprised of the following:

<u>As of December 31:</u>	<u>2024</u>
Financial Assets at year end:	
Cash and Cash Equivalents	\$ 924,859
Investments	310,477
Grants Receivable	817,702
Contributions Receivable	65,958
Total Financial Assets	<u>2,118,996</u>
Less amounts not available to be used in one year:	
Grants Receivable, Long-Term Portion	300,202
Total not available to be used in one year	<u>300,202</u>
Financial assets available to meet general expenditures over the following year	<u><u>\$ 1,818,794</u></u>

4. Cash and Cash Equivalents

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

<u>As of December 31:</u>	<u>2024</u>
Checking Account	\$ 454,811
Savings Account	470,048
Total Cash and Cash Equivalents	<u>\$ 924,859</u>

As of December 31, 2024, the Organization had exceeded the FDIC federally insured limit in cash accounts by \$674,839. Management believes the Organization is not exposed to any significant credit risk on its cash balances.

5. Investments

The Organization's investment balance consists of two certificates of deposit at a single financial institution. The investment balance totaled \$310,477 as of December 31, 2024. These balances are classified as short-term investments because their original maturity exceeds three months but is expected to mature within one year. The interest rates for these CDs are .10% and 3.68%. As of December 31, 2024, the Organization had exceeded the FDIC federally insured limit in certificates of deposit accounts by \$60,477. Management believes the Organization is not exposed to any significant credit risk on its investment balances.

6. Endowment

The Organization has an interest in an endowment fund with the Community Foundation of Western North Carolina as shown below. The fund is structured as such that the Organization recognizes the endowment asset on its books held without donor restrictions. The terms of the endowment provide for the distribution of an annual spendable amount no more frequently than quarterly from investment income as provided for in the Community Foundation's investment and distribution policies. The components of the funds and the activity during the year are summarized as follows:

Endowment Value as of December 31, 2023	\$ 26,869
Current Year Activity:	
Contributions	75,200
Endowment Income	1,924
Endowment Gains	2,485
Community Foundation Fees	(718)
Endowment Values as of December 31, 2024	<u>\$ 105,760</u>

7. Grants Receivable

As of December 31, 2024, the Organization has recorded grants receivable totaling \$867,500 related to four grant agreements. These amounts are expected to be collected over a two-year period. In accordance with generally accepted accounting principles, the receivable has been discounted to its present value using a 3% annual discount rate, resulting in a discount of \$49,798. The discount is recorded as a contra-asset and will be amortized over the collection period using the effective interest method. The net grants receivable balance reported in the statement of financial position is \$817,702. This adjustment reflects the time value of money and ensures that revenue is recognized in accordance with ASC 958-605, using a discount measured under ASC 835-30.

8. Contributions Receivable

On December 31, 2024, the Organization had contributions receivable totaling \$65,958, representing proceeds from a raffle conducted by East Fork Pottery on behalf of the Organization.

The receivable balance is expected to be collected within the next fiscal year and is, therefore, recorded as current in the accompanying statement of financial position. Management has determined that no allowance for uncollectible amounts is necessary as of December 31, 2024.

9. In-Kind Contributions

During the year ended December 31, 2024, the Organization received contributed use of office space in Cherokee, North Carolina, valued at \$72,000. This office space was utilized in the Organization's program, administrative, and fundraising activities and was not monetized. The donor, Cherokee Hospital, assessed the fair value of the contributed space based on prevailing market rental rates for comparable facilities in the area. The Organization's policy is to recognize contributed nonfinancial assets at fair value on the date received and to record a corresponding expense as the asset is used. There were no donor-imposed restrictions on the use of the contributed office space. In determining fair value, management considered observable lease rate data, nonbinding listings, and applied judgment regarding the condition and location of the property to ensure the valuation reflected the principal market for such assets.

10. Net Assets Without Donor Restrictions

Net assets without donor restrictions totaled \$444,881 as of December 31, 2024. Board-designated net assets consist of funds the Board of Directors set aside for future operations and held in cash and cash equivalents. The board-designated balance totaled \$105,760 as of the year ended December 31, 2024.

11. Net Assets With Donor Restrictions

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

<u>As of December 31:</u>	<u>2024</u>
Doula Project	\$ 2,385
Earthkeepers Project	16,773
Environmental Conservation	20,332
Fiscal Sponsor	265,922
Indigenous Logic Model Project	35,561
MedCaT	466,226
Native Land Stewardship	501,814
RTCAR Project	85,300
Symposium	16,683
Water Conservation	285,000
Youth Conservation	59,956
Total Net Assets With Donor Restrictions	<u>\$ 1,755,952</u>

12. Fair Value Measurements

The Organization measures certain assets at fair value on a recurring basis in accordance with ASC 820. As of December 31, 2024, the Organization held investments at the Community Foundation of Western North Carolina and Certificates of Deposit at a financial institution. The following table presents assets by level within the fair value hierarchy:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Endowment	\$ 105,760	\$ -	\$ -	\$ 105,760
Certificates of Deposit	310,477	-	310,477	-
Totals	<u>\$ 416,237</u>	<u>\$ -</u>	<u>\$ 310,477</u>	<u>\$ 105,760</u>

The fair value of the certificates of deposit is classified as level 2 because quoted prices for identical instruments in active markets are not available. Instead, fair value is estimated using observable inputs such as quoted deposit rates for similar terms and maturities provided by financial institutions. The endowment is classified as Level 3 because its valuation is based on unobservable inputs provided by the Community Foundation.

	Funds with Community Foundation
January 1, 2024	\$ 26,869
Contributions to CFWNC	75,200
Change in Value, Net	3,691
December 31, 2024	<u>\$ 105,760</u>

13. ***Subsequent Events***

Subsequent events have been evaluated through December 16, 2025, which is the date the financial statements were available to be issued.