




Partnership With Native Americans

**Independent Auditor's Report and Financial
Statements**

December 31, 2023 and 2022



Partnership With Native Americans
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December 31, 2023 and 2022

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Independent Auditor's Report

Board of Directors
Partnership With Native Americans
Addison, Texas

Opinion

We have audited the financial statements of Partnership With Native Americans (PWNA), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PWNA as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PWNA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 PWNA's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's 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 auditor's 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 GAAS 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 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 GAAS, 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 PWNA'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 PWNA'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Changes in Net Assets listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Forvis Mazars, LLP

**Fort Worth, Texas
June 5, 2024**

**Partnership With Native Americans
Statements of Financial Position
December 31, 2023 and 2022**

Assets

	<u>2023</u>	<u>2022</u>
Current Assets		
Cash and cash equivalents	\$ 6,983,251	\$ 8,487,372
Contributions receivable	580,544	549,307
Inventories	11,429,866	12,296,124
Short-term investments	5,300,977	3,125,113
Prepaid expenses and other assets	<u>319,112</u>	<u>315,597</u>
Total current assets	24,613,750	24,773,513
Right of use asset - operating lease	244,631	380,008
Right of use asset - financing lease	59,876	42,128
Property and equipment, net	<u>4,567,367</u>	<u>4,733,236</u>
Total assets	<u>\$ 29,485,624</u>	<u>\$ 29,928,885</u>

Liabilities and Net Assets

Current Liabilities		
Accounts payable	\$ 337,585	\$ 146,760
Accrued liabilities	333,079	319,388
Operating lease liability	185,699	156,647
Financing lease liability	18,808	11,579
Deferred revenue	<u>484,839</u>	<u>1,073,751</u>
Total current liabilities	1,360,010	1,708,125
Operating lease liability, long-term	131,177	316,876
Financing lease liability, long-term	<u>42,598</u>	<u>31,558</u>
Total liabilities	<u>1,533,785</u>	<u>2,056,559</u>
Net Assets		
Net assets without donor restriction	27,268,776	27,036,603
Net assets with donor restriction	<u>683,063</u>	<u>835,723</u>
Total net assets	<u>27,951,839</u>	<u>27,872,326</u>
Total liabilities and net assets	<u>\$ 29,485,624</u>	<u>\$ 29,928,885</u>

Partnership With Native Americans
Statements of Activities
Years Ended December 31, 2023 and 2022

	2023	2022
Changes in Net Assets Without Donor Restriction		
Unrestricted revenues, gains and other support		
Contributions of financial assets	\$ 14,119,034	\$ 13,220,366
Contributions of nonfinancial assets	7,427,072	11,269,084
Other income	665,670	296,103
Gain on sale of asset	38,705	22,700
Net assets released from restrictions	1,846,191	1,645,187
Total unrestricted revenue, gains and other support	<u>24,096,672</u>	<u>26,453,440</u>
Expenses		
Program services		
Northern Plains Reservation Aid	5,320,361	9,455,974
Southwest Reservation Aid	7,386,152	9,220,899
Long-Term Solutions	2,737,137	1,593,115
Total program services	<u>15,443,649</u>	<u>20,269,988</u>
Supporting services		
Management and general	1,724,622	1,903,364
Fundraising	6,696,228	6,837,305
Total supporting services	<u>8,420,850</u>	<u>8,740,669</u>
Total expenses	<u>23,864,499</u>	<u>29,010,657</u>
Increase (Decrease) in net assets without donor restriction	<u>232,173</u>	<u>(2,557,217)</u>
Changes in Net Assets With Donor Restriction		
Direct contributions	1,693,531	1,088,078
Net assets released from restrictions	<u>(1,846,191)</u>	<u>(1,645,187)</u>
Decrease in net assets with donor restriction	<u>(152,660)</u>	<u>(557,109)</u>
Change in Net Assets	79,513	(3,114,326)
Net Assets, Beginning of Year	<u>27,872,326</u>	<u>30,986,652</u>
Net Assets, End of Year	<u>\$ 27,951,839</u>	<u>\$ 27,872,326</u>

**Partnership With Native Americans
Statement of Functional Expenses
Year Ended December 31, 2023**

	Program Services			Supporting Services			Total Supporting Services	Total Expenses
	Northern Plains Reservation Aid	Southwest Reservation Aid	Long-Term Solutions	Total Program Services	Management and General	Fundraising		
Cost of goods distributed	\$3,558,651	\$ 4,792,026	\$ 167,753	\$ 8,518,429	\$ -	\$ -	\$ -	\$ 8,518,429
Grants	72,590	50,754	547,500	670,844	-	-	-	670,844
Advertising	-	-	-	-	-	527,019	527,019	527,019
Mailing and shipping	592,075	1,371,351	69,372	2,032,798	1,605	1,086,130	1,087,735	3,120,533
Meetings and travel	3,021	3,714	388,572	395,307	62,344	43,534	105,878	501,185
Office supplies	53,804	12,273	139,470	205,547	749	18,839	19,588	225,135
Payroll and benefits	692,868	706,656	546,651	1,946,175	1,261,344	1,468,555	2,729,899	4,676,074
Publications and Printing	968	2,115	1,479	4,562	67,637	1,591,500	1,659,137	1,663,699
Professional fees	31,617	43,845	627,844	703,306	101,381	807,122	908,503	1,611,809
Rent and utilities	20,249	28,473	12,170	60,892	73,029	120,803	193,832	254,724
Computers and technology	33,514	40,967	93,997	168,478	115,300	256,563	371,863	540,341
Repairs and maintenance	44,318	62,893	7,630	114,841	8,206	3,419	11,625	126,466
Credit card processing and fees	316	402	201	919	9,083	190,954	200,037	200,956
Depreciation and amortization	126,706	155,620	79,825	362,151	4,647	131,044	135,691	497,842
Corporate insurance	55,772	58,352	34,595	148,719	16,235	25,442	41,677	190,396
Dues and fees	33,324	56,107	20,078	109,509	2,591	424,529	427,120	536,629
Interest	568	604	-	1,172	471	775	1,246	2,418
Total	\$5,320,361	\$ 7,386,152	\$ 2,737,137	\$ 15,443,649	\$ 1,724,622	\$ 6,696,228	\$ 8,420,850	\$ 23,864,499

**Partnership With Native Americans
Statement of Functional Expenses
Year Ended December 31, 2022**

	Program Services			Supporting Services			Total Supporting Services	Total Expenses
	Northern Plains Reservation Aid	Southwest Reservation Aid	Long-Term Solutions	Total Program Services	Management and General	Fundraising		
Cost of goods distributed	\$8,027,402	\$ 6,542,425	\$ 127,403	\$14,697,230	\$ -	\$ -	\$ -	\$14,697,230
Grants	64,445	71,050	294,650	430,145	-	-	-	430,145
Advertising	-	-	-	-	-	778,773	778,773	778,773
Mailing and shipping	547,928	1,479,225	50,341	2,077,494	1,539	1,014,967	1,016,506	3,094,000
Meetings and travel	208	5,498	203,288	208,994	33,691	28,533	62,224	271,218
Office supplies	16,481	22,946	99,753	139,180	17,414	18,540	35,954	175,134
Payroll and benefits	462,842	701,378	434,071	1,598,291	1,336,347	1,500,907	2,837,254	4,435,545
Publications and Printing	1,163	1,259	809	3,231	46,478	1,403,525	1,450,003	1,453,234
Professional fees	5,775	16,650	223,769	246,194	253,532	868,245	1,121,777	1,367,971
Rent and utilities	19,304	33,124	10,978	63,406	73,159	119,947	193,106	256,512
Computers and technology	34,255	40,575	28,411	103,241	100,527	201,208	301,735	404,976
Repairs and maintenance	37,518	53,516	8,913	99,947	1,391	5,995	7,386	107,333
Credit card processing and fees	-	-	-	-	9,509	155,987	165,496	165,496
Miscellaneous	518	3,677	22,882	27,077	-	384	384	27,461
Depreciation and amortization	114,191	135,471	59,695	309,357	14,203	235,868	250,071	559,428
Corporate insurance	51,912	60,437	26,499	138,848	13,630	25,207	38,837	177,685
Dues and fees	71,465	53,065	1,653	126,183	1,473	478,444	479,917	606,100
Interest	567	603	-	1,170	471	775	1,246	2,416
Total	\$9,455,974	\$ 9,220,899	\$ 1,593,115	\$20,269,988	\$ 1,903,364	\$ 6,837,305	\$ 8,740,669	\$29,010,657

Partnership With Native Americans
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Operating Activities		
Change in net assets	\$ 79,513	\$ (3,114,326)
Items not requiring (providing) operating cash		
Depreciation	480,044	547,394
Amortization	17,798	12,034
Gain on sale of property and equipment	(38,705)	(22,700)
Net realized and unrealized loss on investments	1,201	170
Noncash operating lease expense	135,377	127,998
Changes in		
Contributions receivable	(31,237)	451,390
Inventories	866,258	3,419,470
Prepaid expenses and other assets	(3,515)	(17,667)
Accounts payable and accrued liabilities	204,516	(94,227)
Deferred revenue	(588,912)	776,172
Operating lease liability	(156,647)	(144,786)
	<u>965,691</u>	<u>1,940,922</u>
Investing Activities		
Proceeds from sale of investments	6,536,351	6,758,939
Proceeds from sale of property and equipment	38,705	22,700
Purchases of property and equipment	(314,175)	(422,248)
Purchases of investments	(8,713,416)	(6,793,856)
	<u>(2,452,535)</u>	<u>(434,465)</u>
Financing Activities		
Principal payments on financing lease liabilities	(17,277)	(11,025)
	<u>(17,277)</u>	<u>(11,025)</u>
Increase (Decrease) in Cash and Cash Equivalents	(1,504,121)	1,495,432
Cash and Cash Equivalents, Beginning of Year	<u>8,487,372</u>	<u>6,991,940</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,983,251</u>	<u>\$ 8,487,372</u>
Supplemental Disclosure of Cash Flow Information		
Interest paid	\$ 2,418	\$ 2,415
ROU asset obtained in exchange of new operating lease liabilities	\$ -	\$ 508,006
ROU asset obtained in exchange of new financing lease liabilities	\$ 36,580	\$ 54,162

**Partnership With Native Americans
Notes to Financial Statements
December 31, 2023 and 2022**

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Partnership With Native Americans (PWNA) is a 501(c)3 nonprofit committed to championing hope for a brighter future for Native Americans living on remote, geographically isolated and impoverished reservations. Collaborating for nearly 30 years with our reservation partners, PWNA provides immediate relief and supports long-term solutions for strong, self-sufficient Native American communities.

PWNA operates with the belief that the knowledge of how to best change outcomes in Indigenous communities comes from within and that Tribal programs who partner with PWNA are best positioned to provide competent strategies. PWNA serves as a reliant, consistent source to partners, creating a forum for communication and understanding that provides culturally relevant, community-driven solutions grounded in Tribal knowledge and first voice perspective to empower Native American communities. Using a dual approach, PWNA responds to immediate needs by providing food, water and other critical aid, while also supporting community-led projects that sustainably address the core symptoms of poverty and contribute to self-sufficiency. PWNA cares about quality of life for Native Americans and respects their self-determined goals for their tribes. Working year-round through our reservation partnerships; distribution network; and passionate staff, Board members and volunteers, PWNA has benefitted approximately 250,000 Native Americans each year.

First incorporated as National Relief Charities in North Carolina in 1990, and rebranding on 2015, PWNA's mission and principal activities are:

- a) to focus public attention upon the challenges, needs, concerns and conditions of Native Americans;
- b) to provide goods, equipment, services and funds to relieve the challenges and meet the needs of Native Americans living on impoverished reservations, to make gifts and grants for such purposes to other charitable and educational organizations, and to assist governmental and administrative bodies in alleviating the problems and conditions of Native Americans; and
- c) to focus public attention upon the needs of animals living on reservations in the Plains and Southwest and provide goods, equipment, services and funds to support the alleviation of their suffering.

PWNA officially changed its name with the Internal Revenue Service, margining NRC into PWNA, and incorporating within the state of Texas, on January 28, 2015.

**Partnership With Native Americans
Notes to Financial Statements
December 31, 2023 and 2022**

Cash and Cash Equivalents

PWNA considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2023 and 2022, cash equivalents consisted primarily of money market accounts with brokers.

PWNA maintains its cash and cash equivalents with what it considers to be quality financial institutions. At December 31, 2023, PWNA's cash accounts exceeded federally insured limits by approximately \$6,332,000 which may constitute a credit risk.

Investments and Net Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external investment expenses.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets with donor restriction and released from restriction. Other investment return is reflected in the statements of activities with or without donor restriction based upon the existence and nature of any donor or legally imposed restrictions.

Property and Equipment

PWNA capitalizes those items in excess of \$5,000, which have a useful life greater than one year. Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings	39 years
Building - improvements and leasehold improvements	3 – 39 years
Furniture and equipment	3 – 7 years
Vehicles	5 years

Long-lived Asset Impairment

PWNA evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No material asset impairment was recognized during the years ended December 31, 2023 and 2022.

**Partnership With Native Americans
Notes to Financial Statements
December 31, 2023 and 2022**

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Bequests and Contributions

Bequests are recorded as contribution revenue when it has exited probate and the amount is determinable in accordance with accounting principles generally accepted in the United States of America (GAAP).

Contributions are provided to PWNA either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on PWNA overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

**Partnership With Native Americans
Notes to Financial Statements
December 31, 2023 and 2022**

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets with donor restrictions and released from restriction.

Contributions receivable as of December 31, 2023 and 2022, in the accompanying statement of financial position are all deemed to be due within one year and no provision for uncollectible accounts was necessary for either year end.

In addition to receiving contributed financial assets, PWNA receives contributed nonfinancial assets. See Note 4.

Conditional Gifts and Deferred Revenue

Conditional contributions for which the cash has been received are recorded as deferred revenue in the accompanying statements of financial position until the conditions have been met and the contribution is recognized in accordance with GAAP. At December 31, 2023 and 2022, \$484,839 and \$1,073,751 in conditional gifts is recorded as deferred revenue and is expected to be recognized within the next year.

Additionally, at December 31, 2023 and 2022, PWNA had received \$0 and \$430,000, respectively, in conditional contributions not recognized in the accompanying financial statements. These contributions will be recognized upon satisfying barriers outlined within the corresponding agreements.

Inventory

Inventories consist of donated and purchased supplies and are usually acquired through major retailer and not-for-profit organizations donations. See Note 4. Purchased inventories are stated at the lower of cost or net realizable value.

Income Taxes

PWNA is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, PWNA is subject to federal income tax on any unrelated business taxable income. PWNA files tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain costs have been allocated among the program, management and general and fundraising categories based on direct salaries, full time equivalents, revenue percentages and other methods.

Partnership With Native Americans
Notes to Financial Statements
December 31, 2023 and 2022

Advertising Expenses

Advertising costs are expensed as incurred. Total advertising costs for the years ended December 31, 2023 and 2022, were \$527,019 and \$778,773, respectively, and are included in advertising and list rentals in the accompanying statements of functional expenses.

Fundraising Expenses

All costs attributable to the production, printing and mailing of literature to the public that have both educational and fundraising appeal, have been allocated between fundraising and program expenses in the financial statements as they meet the requirements for the allocation of joint costs as provided by Accounting Standards Codification (ASC) Topic 958-720-50, Accounting for Costs of Activities that Include Fundraising.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Note 1: Investments and Net Investment Return

Investments at December 31 consisted of the following:

	2023	2022
Cash and cash equivalents	\$ 44,722	\$ 537,537
Certificates of deposit	15,000	15,000
Equities	-	11,185
Fixed income securities	5,241,255	2,561,391
	<u>\$ 5,300,977</u>	<u>\$ 3,125,113</u>

Total net investment return, recorded in other income, is comprised of the following:

	2023	2022
Net realized and unrealized loss on investments reported at fair value	\$ (1,201)	\$ (170)
Interest and dividends, net of investment expenses	152,855	24,857
	<u>\$ 151,654</u>	<u>\$ 24,687</u>

**Partnership With Native Americans
Notes to Financial Statements
December 31, 2023 and 2022**

Note 2: Property and Equipment

Property and equipment at December 31 consists of:

	<u>2023</u>	<u>2022</u>
Land	\$ 657,863	\$ 657,863
Buildings	5,161,554	5,161,554
Building and leasehold improvements	432,350	421,211
Vehicles	1,975,779	1,793,988
Furniture and equipment	<u>3,021,461</u>	<u>2,997,529</u>
	11,249,007	11,032,145
Less accumulated depreciation and amortization	<u>6,681,640</u>	<u>6,298,909</u>
	<u>\$ 4,567,367</u>	<u>\$ 4,733,236</u>

Note 3: Contributed Nonfinancial Assets

For the years ended December 31, 2023 and 2022, contributed nonfinancial assets recognized within the statements of activities included:

	<u>2023</u>	<u>2022</u>
Inventory for distribution		
Health items	\$ 3,927,236	\$ 5,438,475
Household items	1,693,506	3,222,058
Food items	903,878	1,230,758
Other	375,433	599,020
Advertising	<u>527,019</u>	<u>778,773</u>
	<u>\$ 7,427,072</u>	<u>\$ 11,269,084</u>

Donated inventory for distribution is primarily comprised of health items (face masks, soap, toiletries, etc.), household items (clothing, cleaning supplies, etc.), food items, and other (educational products, pet food, recreation items, etc.). It is PWNA's policy to record the estimated fair value of certain in-kind donations as an expense in its financial statements upon distribution, and similarly contribution revenue by a like amount upon receipt. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

**Partnership With Native Americans
Notes to Financial Statements
December 31, 2023 and 2022**

Donated inventory for distribution, other than food, are recorded at their fair value based upon the estimated price paid by the donor. PWNA values items by identifying the gross profit margin of the retailer and researching the average retailer price for the item via retailer websites. Once the average price is determined, it is reduced by a percentage equal to the gross profit margin of the retailer. This values the donated item at the approximate price paid by the retailer.

Donated food inventory for distribution is valued at the average wholesale price per pound of food as determined by a price study commissioned by Feeding America, the largest food charity in the U.S. This rate applies to all food regardless of type or packaging. For both the years ended December 31, 2023 and 2022, the average wholesale price per pound of food was \$1.92 and \$1.79, respectively.

Approximately 83% and 86% of all contributed nonfinancial assets were received from three donors in 2023 and 2022, respectively.

Note 4: Net Assets With Donor Restrictions

Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31 are available for the following purposes or periods:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose, passage of time or both		
Education services	\$ 262,956	\$ 380,230
Healthy living	3,810	3,998
Emergency services	270,153	310,562
Animal welfare	10,171	3,920
Food & water	18,700	47,854
Other	<u>50,373</u>	<u>22,259</u>
	616,163	768,823
Subject to PWNA endowment spending policy and appropriation		
Healthy living	<u>66,900</u>	<u>66,900</u>
	<u>\$ 683,063</u>	<u>\$ 835,723</u>

Partnership With Native Americans
Notes to Financial Statements
December 31, 2023 and 2022

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2023</u>	<u>2022</u>
Education services	\$ 1,036,323	\$ 483,220
Healthy living	23,018	56,761
Emergency services	707,262	826,993
Animal welfare	947	19,033
Food & water	77,789	182,054
Other	<u>852</u>	<u>77,126</u>
	<u>\$ 1,846,191</u>	<u>\$ 1,645,187</u>

Note 5: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2023 and 2022, comprise the following:

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash and cash equivalents	\$ 6,983,251	\$ 8,487,372
Contributions receivable	580,544	549,307
Short-term investments	<u>5,300,977</u>	<u>3,125,113</u>
	<u>12,864,772</u>	<u>12,161,792</u>
Donor imposed restrictions		
Deferred revenue	484,839	1,073,751
Restricted as to use	616,163	768,823
Perpetual endowments	<u>66,900</u>	<u>66,900</u>
	<u>1,167,902</u>	<u>1,909,474</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 11,696,870</u>	<u>\$ 10,252,318</u>

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PWNA receives contributions which are unrestricted by donors and such contributions are available to meet cash needs for general expenditures which are ongoing, major and central to its annual operations. At December 31, 2023 and 2022, financial assets of \$11,696,870 and \$10,252,318, respectively, were available to meet cash needs for general expenditures within one year.

Contributions receivable are subject to implied time restrictions but are expected to be collected within one year.

PWNA's restricted funds consist of grants, bequests and other gifts received with specific donor-imposed purpose restrictions. Funds are available for specific program usage and are released when donor-imposed restrictions are met.

PWNA has a liquidity policy to maintain financial assets available to meet cash needs for general expenditures at a minimum of 30 days of operating expenses. PWNA has long-term target of a year-end balance of reserves without donor restriction and which are undesignated by the Board to meet 60 to 120 days of expected expenditures and has a Cash Reserve Policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To achieve these targets, PWNA forecasts its future cash flows and monitors its liquidity monthly and monitors its reserves annually.

PWNA has a committed line of credit in the amounts of \$1,000,000, which it could draw upon in the event of an unanticipated liquidity need; however, has elected to not draw upon the line. See Note 11.

Note 6: Leases

Accounting Policies

PWNA determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. PWNA determines lease classification as operating or finance at the lease commencement date.

PWNA separates the lease and nonlease components, such as common area and other maintenance costs, in calculating the ROU assets and lease liabilities for its office building. At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. PWNA uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, PWNA uses its incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments. Incremental borrowing rates used to determine the present value of lease payments were derived by reference to PWNA's line of credit corresponding to the lease commencement date.

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Notes to Financial Statements
December 31, 2023 and 2022**

The lease term may include options to extend or to terminate the lease that PWNA is reasonably certain to exercise. However, at December 31, 2023 and 2022, PWNA did not include the extended terms as it is not reasonably certain to exercise the options. Lease expense is generally recognized on a straight-line basis over the lease term.

Leases agreements with total payments over the term in excess of \$5,000 are capitalized.

Nature of Leases

PWNA has entered into the following lease arrangements:

Finance Lease

This lease mainly consists of equipment for the use of PWNA. Termination of the lease generally is prohibited unless there is a violation under the lease agreement.

Operating Lease

PWNA has an office space. The initial lease term began in November 2015 with original lease term of 64 months. The lease was renewed in July 2020 for 62 months with lease term end date in August 31, 2025, and automatic month to month renewals until the lease agreement is terminated or extended.

PWNA has no material related party leases.

PWNA's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Partnership With Native Americans
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Quantitative Disclosures

The lease cost and other required information for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Lease cost		
Finance lease cost		
Amortization of right-of-use asset	\$ 17,798	\$ 12,034
Interest on lease liabilities	2,418	2,415
Operating lease cost	<u>155,100</u>	<u>155,100</u>
Total lease cost	<u>\$ 175,316</u>	<u>\$ 169,549</u>
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance lease	\$ 2,418	\$ 2,415
Financing cash flows from finance lease	17,277	11,025
Operating cash flows from operating lease	176,375	167,443
Remaining lease term		
Finance lease	3.38 years	3.50 years
Operating lease	1.75 years	2.75 years
Discount rate used		
Finance lease	3.735%	4.913%
Operating lease	4.913%	4.913%

**Partnership With Native Americans
Notes to Financial Statements
December 31, 2023 and 2022**

Future minimum lease payments and reconciliation to the statements of financial position at December 31, 2023, is as follows:

	Finance Lease	Operating Lease
2024	\$ 23,153	\$ 197,149
2025	20,756	133,605
2026	14,036	-
2027	5,118	-
2028	2,050	-
Total future undiscounted lease payments	65,113	330,754
Less imputed interest	3,707	13,878
	61,406	316,876
Less current portion of lease liabilities	18,808	185,699
	<u>\$ 42,598</u>	<u>\$ 131,177</u>

Note 7: Pension and Other Postretirement Benefit Plans

PWNA has a 401(k)-plan covering substantially all employees. PWNA contributions to the plan are 3% of annual compensation of all eligible employees. Contributions to the plan were \$126,183 and \$120,337, for 2023 and 2022, respectively.

Note 8: Allocation of Joint Costs

PWNA conducted activities that included requests for contributions, as well as program components. Those activities included direct mail, planned giving and telemarketing campaigns. The costs of conducting those activities included a total of \$3,878,704 and \$3,726,601, in 2023 and 2022, respectively, of joint costs, which are not specifically attributable to particular components of the activities. These joint costs were allocated as follows:

	2023	2022
Fundraising	\$ 2,200,066	\$ 2,062,583
Northern Plains Reservation Aid	496,402	386,489
Southwest Reservation Aid	1,128,890	1,237,889
Long-Term Solutions	53,346	39,640
	<u>\$ 3,878,704</u>	<u>\$ 3,726,601</u>

Partnership With Native Americans
Notes to Financial Statements
December 31, 2023 and 2022

Note 9: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2023 and 2022:

	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2023				
Certificates of deposit	\$ 15,000	\$ 15,000	\$ -	\$ -
Fixed income securities	5,241,255	5,241,255	-	-
Total investments included in fair value table	<u>\$ 5,256,255</u>	<u>\$ 5,256,255</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2022				
Certificates of deposit	\$ 15,000	\$ 15,000	\$ -	\$ -
Equities	11,185	11,185	-	-
Fixed income securities	2,561,391	2,561,391	-	-
Total investments included in fair value table	<u>\$ 2,587,576</u>	<u>\$ 2,587,576</u>	<u>\$ -</u>	<u>\$ -</u>

**Partnership With Native Americans
Notes to Financial Statements
December 31, 2023 and 2022**

The following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the years ended December 31, 2023 and 2022.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. PWNA did not have any investments that are classified as Level 2 or Level 3.

Note 10: Line of Credit

In August 2022, PWNA entered into a \$1,000,000 revolving line of credit agreement which expired August 24, 2023. At December 31, 2022, there was no outstanding borrowing against this line. The line was collateralized by substantially all of PWNA's assets. Interest rate varies with the bank's prime rate plus three percent, which approximated 5.49 percent at December 31, 2022.

In July 2023, PWNA entered into a \$1,000,000 revolving line of credit agreement which expires July 18, 2024. At December 31, 2023, there was no outstanding borrowing against this line. The line was collateralized by substantially all of PWNA's assets. Interest rate varies with the bank's prime rate plus three percent, which approximated 11.5 percent at December 31, 2023.

Note 11: Subsequent Event

Subsequent events have been evaluated through June 5, 2024, which is the date the financial statements were available to be issued.

Supplementary Information

**Partnership With Native Americans
Schedule of Changes in Net Assets
Year Ended December 31, 2023**

	Other Without Donor Restriction	In-kind Without Donor Restriction	Total Without Donor Restriction	With Donor Restriction	Total
Revenues, Gains and Other Support					
Contributions of financial assets	\$ 14,119,034	\$ -	\$ 14,119,034	\$ 1,693,531	\$ 15,812,565
Contributions of nonfinancial assets	-	7,427,072	7,427,072	-	7,427,072
Other income	665,670	-	665,670	-	665,670
Gain on sale of asset	38,705	-	38,705	-	38,705
Net assets released from restrictions	1,846,191	-	1,846,191	(1,846,191)	-
	<u>16,669,600</u>	<u>7,427,072</u>	<u>24,096,672</u>	<u>(152,660)</u>	<u>23,944,012</u>
Expenses					
Program services					
Northern Plains Reservation Aid	2,025,343	3,295,018	5,320,361	-	5,320,361
Southwest Reservation Aid	2,937,540	4,448,612	7,386,152	-	7,386,152
Long-Term Solutions	2,611,808	125,329	2,737,137	-	2,737,137
	<u>7,574,690</u>	<u>7,868,959</u>	<u>15,443,649</u>	<u>-</u>	<u>15,443,649</u>
Supporting services					
Management and general	1,724,622	-	1,724,622	-	1,724,622
Fundraising	6,169,209	527,019	6,696,228	-	6,696,228
	<u>7,893,831</u>	<u>527,019</u>	<u>8,420,850</u>	<u>-</u>	<u>8,420,850</u>
	<u>15,468,521</u>	<u>8,395,978</u>	<u>23,864,499</u>	<u>-</u>	<u>23,864,499</u>
Change in Net Assets	<u>\$ 1,201,079</u>	<u>\$ (968,906)</u>	<u>\$ 232,173</u>	<u>\$ (152,660)</u>	<u>\$ 79,513</u>

**Partnership With Native Americans
Schedule of Changes in Net Assets
Year Ended December 31, 2022**

	Other Without Donor Restriction	In-kind Without Donor Restriction	Total Without Donor Restriction	With Donor Restriction	Total
Revenues, Gains and Other Support					
Contributions of financial assets	\$ 13,220,366	\$ -	\$ 13,220,366	\$ 1,088,078	\$ 14,308,444
Contributions of nonfinancial assets	-	11,269,084	11,269,084	-	11,269,084
Other income	296,103	-	296,103	-	296,103
Gain on sale of asset	22,700	-	22,700	-	22,700
Net assets released from restrictions	1,645,187	-	1,645,187	(1,645,187)	-
Total revenues, gains and other support	15,184,356	11,269,084	26,453,440	(557,109)	25,896,331
Expenses					
Program services					
Northern Plains Reservation Aid	3,324,945	6,131,029	9,455,974	-	9,455,974
Southwest Reservation Aid	3,795,682	5,425,217	9,220,899	-	9,220,899
Long-Term Solutions	1,593,115	-	1,593,115	-	1,593,115
Total program services	8,713,742	11,556,246	20,269,988	-	20,269,988
Supporting services					
Management and general	1,903,364	-	1,903,364	-	1,903,364
Fundraising	6,836,823	482	6,837,305	-	6,837,305
Total supporting services	8,740,187	482	8,740,669	-	8,740,669
Total expenses	17,453,929	11,556,728	29,010,657	-	29,010,657
Change in Net Assets	\$ (2,269,573)	\$ (287,644)	\$ (2,557,217)	\$ (557,109)	\$ (3,114,326)