

TRIBAL LEADERSHIP COUNCIL, INC.

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024**



TRIBAL LEADERSHIP COUNCIL, INC.

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Independent Auditors' Report

To the Board of Directors of
Tribal Leadership Council, Inc.

Opinion

We have audited the accompanying financial statements of the Tribal Leadership Council, Inc. (the Organization) (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 notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization 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 Organization 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



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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 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 Organization'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 Organization'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.

TKM, LLC
TKM, LLC
Auditors | Advisors | CPAs

Albuquerque, New Mexico
February 18, 2025

FINANCIAL STATEMENTS

TRIBAL LEADERSHIP COUNCIL, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

Cash and Cash Equivalents	\$ 15,244
Prepaid Expenses	76,925
Total Assets	<u><u>\$ 92,169</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Unearned Revenue	\$ 8,806
Total Liabilities	<u>8,806</u>

NET ASSETS

Without Donor Restrictions	83,363
With Donor Restrictions	-
Total Net Assets	<u>83,363</u>
Total Liabilities and Net Assets	<u><u>\$ 92,169</u></u>

See Independent Auditors' Report and Notes to Financial Statements

TRIBAL LEADERSHIP COUNCIL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE, GAINS AND SUPPORT			
Donations and Contributions	\$ 25,000	\$ -	\$ 25,000
Conference Fees and Sponsorships	417,939	-	417,939
Other Income	6,777	-	6,777
In-Kind Revenue	60,000	-	60,000
Total Revenues	<u>509,716</u>	<u>-</u>	<u>509,716</u>
Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains and Support	<u>509,716</u>	<u>-</u>	<u>509,716</u>
EXPENSES			
Program Services	392,913	-	392,913
Support Services	36,200	-	36,200
Total Expenses	<u>429,113</u>	<u>-</u>	<u>429,113</u>
Net Increase (Decrease) in Net Assets	80,603	-	80,603
Net Assets, Beginning of Year	2,760	-	2,760
Net Assets, End of Year	<u>\$ 83,363</u>	<u>\$ -</u>	<u>\$ 83,363</u>

See Independent Auditors' Report and Notes to Financial Statements

**TRIBAL LEADERSHIP COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Expenses			
Conference Fees	\$ 143,987	\$ 164	\$ 144,151
Board Compensation	57,600	6,400	64,000
In-Kind Expenses	60,000	-	60,000
General and Administrative	36,162	16,242	52,404
Contract Services	35,276	-	35,276
Travel	29,457	3,273	32,730
Grant Distributions	19,041	-	19,041
Development and Fundraising	-	8,856	8,856
Equipment	5,773	641	6,414
Meals and Entertainment	5,617	624	6,241
Total Expenses	<u>\$ 392,913</u>	<u>\$ 36,200</u>	<u>\$ 429,113</u>

See Independent Auditors' Report and Notes to Financial Statements

**TRIBAL LEADERSHIP COUNCIL, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Cash Flows From Operating Activities		
Change in Net Assets	\$	80,603
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in Assets and Liabilities:		
Prepaid Expenses		(76,925)
Unearned Revenue		8,806
		12,484
Net Cash Provided By (Used In) Operating Activities		12,484
Net Increase (Decrease) in Cash and Restricted Cash		12,484
Cash and Restricted Cash, Beginning of Year		2,760
Cash and Restricted Cash, End of Year	\$	15,244

See Independent Auditors' Report and Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

**TRIBAL LEADERSHIP COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE 1 – ORGANIZATION

Tribal Leadership Council, Inc. (Organization) was established and incorporated in the State of Oklahoma on October 31, 2023, and designated as an organization exempt under Internal Revenue Code (IRC) Section 501(c)(3) on October 31, 2023.

The mission of the Organization shall be to:

- Promote and encourage the education of tribal leadership.
- To support tribal organizations that provide education to tribal leadership and the community.
- Promote and encourage the education of the community of Native American culture, customs, and traditions.
- Serve as an information center for creating networking, business opportunities, and education for tribal nations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization conform to generally accepted accounting principles (GAAP) as applicable in the United States of America. The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, Financial Statements of Not-for-Profit Organizations. Net assets, revenues, expenses, gains, and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- *Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and 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 the board of directors.
- *Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

The Organization has no net assets with donor restrictions.

TRIBAL LEADERSHIP COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Restricted Cash

The Organization considers investment instruments purchased with an original maturity of three months or less to be cash equivalents. The carrying amounts approximate fair value because of the short maturity of those instruments. There were no cash equivalents as of December 31, 2024.

Fair Value of Financial Instruments

For financial statement purposes, cash, receivables, accounts payable, accrued expenses, and the line of credit are considered financial instruments. The Organization estimated that the fair value of all financial instruments at December 31, 2024, did not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position because of their short-term nature.

Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses related to contracted and salaried staff, non-staff researchers and travel are allocated based on estimates of time and effort. The remaining expenses are allocated based on direct use by each program or supporting function. Such estimates are determined by management.

TRIBAL LEADERSHIP COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions

Contributions are reported when an unconditional promise to give or other asset is received (in accordance with ASC 958-605). All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Gifts of securities are recorded at their fair market value when received.

Contributions with donor-imposed restrictions spent in the same year or in later periods as contributed are shown as initially donor restricted and released to without donor restriction in the Statement of Activities as the restriction expires. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increase that net asset class.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated professional services that create or enhance nonfinancial assets or that require specialized skills, are recorded at their fair values in the period received. Donated stocks, bonds or other securities are recorded at the fair market value on the date of the gift.

Gifts of long-lived assets are reported as support without donor restrictions unless the donor has restricted the use of the assets for specific purposes. Long-lived assets with explicit restrictions and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained and expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Contributed long-lived assets are recorded at their fair market value on the date of receipt.

Conference Fees and Sponsorships

Conference fees and sponsorships performance obligations, which are participation based for each event, are satisfied at the point in time at which each event and webinar is concluded or upon the occurrence of planning activities that result in expenses being incurred. Revenue is recognized upon completion of distinct performance obligations in the same accounting period in which each specific performance obligation is met.

Advertising Costs

The Organization expenses all advertising costs in the period in which they are incurred.

TRIBAL LEADERSHIP COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as an organization that is not a private foundation.

The Organization is annually required to file *Return of Organization Exempt from Income Tax* (Form 990) with the IRS. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization’s tax returns for the year ended December 31, 2023, by statute, may be subject to normal federal and state examination.

Contingencies

The Organization has no known pending legal matters as of the date of the audit report for the year ended December 31, 2024.

NOTE 3 – CASH AND CASH EQUIVALENTS

As of December 31, 2024, the carrying amount of the Organization’s cash and cash equivalents was \$15,244.

Concentrations of Credit Risk – The Organization maintains its cash balances in one financial institution insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, these cash balances may exceed the insured limits of the FDIC. The Organization has not experienced any losses in these cash accounts and believes it is not exposed to any significant credit risk related to uninsured cash balances.

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FUNDS

The following table reflects the Organization’s financial assets reduced by amounts not available for general use within one year. None of these amounts are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of December 31, 2024:

Cash and Cash Equivalents	\$ <u>15,244</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ <u>15,244</u>

The Organization manages operating liquidity primarily through budgeted monthly cash inflows and outflows. Cash inflows are estimated based on current membership and secured grant funding. Cash outflows are planned accordingly to not exceed those expected inflows.

TRIBAL LEADERSHIP COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 5 – EVENTS

The Organization held several events during the year ended December 31, 2024. The income and expenses of the events consist of the following:

<u>Description</u>	<u>Conference</u>	<u>Golf Classic</u>	<u>Fairway Classic</u>	<u>Total</u>
Income	\$ 218,599	\$ 137,000	\$ 69,117	\$ 424,716
In-Kind Gifts	50,000	10,000	-	60,000
Less: In-Kind Gifts	(50,000)	(10,000)	-	(60,000)
Less: Direct Expenses	(69,133)	(85,528)	(54,498)	(209,159)
Event, Net	<u>\$ 149,466</u>	<u>\$ 51,472</u>	<u>\$ 14,619</u>	<u>\$ 215,557</u>

NOTE 6 – SUBSEQUENT ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (FASB) has issued several Accounting Standard Updates (ASU) which are not yet effective for the Organization. The Organization is assessing the impact these recent accounting pronouncements will have on its financial statements. The ASUs applicable to the Organization will be implemented in the subsequent reporting periods:

- ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions.*
- ASU 2023-01, *Leases (Topic 842): Common Control Arrangement*
- ASU 2023-02, *Investments - Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method (a consensus of the Emerging Issues Task Force)*
- ASU 2023-05, *Business Combinations - Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement*
- ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*
- ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*
- ASU 2023-08, *Intangibles - Goodwill and Other-Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets*
- ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*
- ASU 2024-01, *Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards*

TRIBAL LEADERSHIP COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 6 – SUBSEQUENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

- ASU 2024-02, *Codification Improvements—Amendments to Remove References to the Concepts Statements*
- ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*
- ASU 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*
- ASU 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*

NOTE 7 – SUBSEQUENT EVENTS

Management evaluated all activity through February 18, 2025, the date the financial statements were available to be issued and concluded that no subsequent events have occurred which would require recognition in the financial statements or disclosure in the notes to the financial statements at December 31, 2024.