

# **THE ZUNI YOUTH ENRICHMENT PROJECT**

**Audited Financial Statements  
For the year ended December 31, 2012**

# THE ZUNI YOUTH ENRICHMENT PROJECT

## Table of Contents

Board of Directors	3
Independent Auditor's Report	4
Financial Statements:	
Statement of Financial Position	5
Statement of Activity	6
Statement of Cash Flows	7
Statement of Functional Expenses	8
Notes to Financial Statements	9-11
Supplementary Information:	
Schedule of Expenditures of Federal Awards	12
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	13

# THE ZUNI YOUTH ENRICHMENT PROJECT

## Board of Directors

President  
Vice President  
Treasurer  
Secretary

Tom Faber  
Marnella Kukate-Yepa  
Darlynn Panteah  
Carrie Gashytewa

Directors

Cordelia Hooee  
Valory Wangler  
Caroline Ukestine

**William T. Barrett, CPA**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
1043 E Don Diego Ste A  
SANTA FE, NEW MEXICO 87505  
505-983-5111

**Independent Auditor's Report**

To the Board of Trustees of  
The Zuni Youth Enrichment Project

We have audited the accompanying statements of financial position of The Zuni Enrichment Project (a nonprofit organization) as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of The Zuni Youth Enrichment Project's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Zuni Youth Enrichment Project as of December 31, 2012, and the changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2013, on our consideration of The Zuni Youth Enrichment Project's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of The Zuni Youth Enrichment Project taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

William T. Barrett, CPA

Santa Fe, New Mexico  
December 1, 2013

The Zuni Youth Enrichment Project  
Statement of Financial Position  
As of December 31, 2012

ASSETS

Current Assets:

Cash and cash equivalents:

Checking account

52,570

Total cash and cash equivalents

52,570

Total current assets

52,570

Fixed Assets:

Leasehold Improvements

3,505

Accumulated depreciation

(1,002)

Total fixed assets

2,503

Total assets

\$ 55,073

LIABILITIES AND NET ASSETS

Current liabilities:

Payroll taxes payable

4,657

Accrued payroll payable

9,313

Total current liabilities

13,970

Total liabilities

13,970

Net assets:

Unrestricted net assets

41,103

Temporarily restricted net assets

-

Total net assets

41,103

Total liabilities and net assets

\$ 55,073

The notes to the financial statements are an integral part of these statements.

The Zuni Youth Enrichment Project  
Statement of Activities  
For the year ended Decemer 31, 2012

UNRESTRICTED NET ASSETS

Unrestricted revenues	
Contributions	30,904
Government Grants	532,300
Foundation Grants	60,940
In Kind Donations	82,500
Total unrestricted revenues	706,644
Program expense	691,655
General and administrative expense	1,788
Fundraising expense	
Total expense	693,443
Increase in unrestricted net assets	13,201
Total increase in net assets	13,201
Net assets at beginning of the year	28,403
Other adjustments to net assets	- 501
Total net assets at end of the year	\$ 41,103

The notes to the financial statements are an integral part of these statements.

The Zuni Youth Enrichment Project  
Statement of Cash Flows  
For the year ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 13,201
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	501
(Increase) decrease in operating assets:	
Accounts receivable	-
Other current assets	-
Increase (decrease) in operating liabilities:	
Accounts payable	-
Other current liabilities	13,970
Net cash provided (used) by operating activities	27,672

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	-
Payments for property and equipment	0
Net cash provided (used) by investing activities	0

CASH FLOWS FROM FINANCING ACTIVITIES

Borrowings on notes	-
Payments on notes	-
Net cash provided (used) by financing activities	-
Net increase (decrease) in cash and cash equivalents and cash equivalents	27,672
Beginning cash and cash equivalents	24,898
Ending cash and cash equivalents	\$ 52,570

The notes to the financial statements are an integral part of these statements.

The Zuni Youth Enrichment Project  
Statement of Functional Expenses  
For the year ended December 31, 2012

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Compensation and related expenses:				
Compensation	\$ 164,708	\$ -	\$ -	\$ 164,708
Payroll taxes	15,106	-	-	15,106
Employee benefits	<u>8,057</u>	<u>-</u>	<u>-</u>	<u>8,057</u>
Total compensation and related expenses	\$ 187,871	\$ -	\$ -	\$ 187,871
Bank	-	97	-	97
Contract Labor	214,685	-	-	214,685
Contract- In Kind	82,500	-	-	82,500
Depreciation	-	501	-	501
Equipment maintenance	6,042	-	-	6,042
Occupancy	595	-	-	595
Meeting	424	-	-	424
Miscellaneous	553	118	-	671
Postage	-	56	-	56
Printing	-	87	-	87
Program expense	126,047	-	-	126,047
Supplies	55,696	145	-	55,841
Telephone	-	704	-	704
Travel	<u>17,242</u>	<u>80</u>	<u>-</u>	<u>17,322</u>
Total expense	\$ 691,655	\$ 1,788	\$ -	\$ 693,443

The notes to the financial statements are an integral part of these statements.

THE ZUNI YOUTH ENRICHMENT PROJECT  
Notes to Financial Statements

NATURE OF ACTIVITIES

The Zuni Youth Enrichment Project (ZYEP) is a non-profit organization incorporated in New Mexico in May, 2009. ZYEP's mission is to promote the development of healthy lifestyles and self-esteem among Zuni kids by providing them with opportunities to participate in empowering and enriching activities that will encourage them to grow into strong and healthy adults who are connected with Zuni traditions.

NOTE 1 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of ZYEP have been prepared on the accrual basis of accounting.

Basis of Presentation

ZYEP's financial statements are presented according to Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-profit Organizations*. Under SFAS No. 117, CAV is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. No permanently restricted assets were held during the year accordingly, these financial statements do not reflect any activity related to this class of net assets.

Cash and Cash Equivalents

For the statement of cash flows, ZYEP considers all interest bearing accounts and debt instruments with an original maturity date of 90 days or less to be cash equivalents.

Accounts Receivable

There are no receivables as of December 1, 2013.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

THE ZUNI YOUTH ENRICHMENT PROJECT  
Notes to Financial Statements

NOTE 1. - Continued

Property and Equipment

Property and equipment are recorded at cost, or if donated, at the approximate fair market value at the date of donation. Maintenance, repairs and renewals which neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets.

Grant Revenues

Grant revenues are recognized to the extent of grant expenditures incurred on cost reimbursement contracts. Unexpended funds are reported as deferred revenue in the statement of financial position. Grant revenues on fee-for-service contracts are recognized when services are provided.

Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets, if the restrictions expire in the reporting period in which revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Goods and Services

Donated materials, and equipment and services are recorded as in-kind contributions in the accompanying financial statements at their estimated values as of the date received.

Functional Allocation of Expenses

The cost of providing the various programs and all other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

ZYEP is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

THE ZUNI YOUTH ENRICHMENT PROJECT  
Notes to Financial Statements

NOTE 1. - Continued

Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. – Unconditional Promises to Give

There were no unconditional promises to give outstanding at December 31, 2012.

NOTE 3. – Property and Equipment

Property and equipment consist of the following:

Equipment	\$ 3,505
Less accumulated depreciation	<u>(1,002)</u>
Net property and equipment	<u>\$ 2,503</u>

The Zuni Youth Enrichment Project  
 Schedule of Expenditures of Federal Awards  
 For the year ended Decemer 31, 2012

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Award Number</u>	<u>Pass-Through Grantor's Appropriation</u>	<u>Receipts</u>	<u>Revenue/ Expenditures</u>	<u>Deferred Revenue at December 31, 2012</u>
Department of Health and Human Services Indian Health Service	H1H1HS3002259/01	75-9-0390	\$ 37,044	\$ 51,585	
Department of Health and Human Services Administration for Children and Families	90AT0009/01	75-X-1512	\$ 474,356	\$ 485,523	
State of New Mexico Department of Health	15,577		\$ 20,900	\$ 20,714	
			<u>\$ 532,300</u>	<u>\$ 557,822</u>	<u>\$ -</u>

\* Information not available

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting.

Report On Compliance And On Internal Control Over Financial  
Reporting Based On An Audit Of Financial Statements Performed  
In Accordance With *Government Auditing Standards*

To The Board of Directors of  
The Zuni Youth Enrichment Project

We have audited the financial statements of The Zuni Youth Enrichment Project. (a nonprofit organization) as of and for the year ended December 31, 2012, and have issued our report thereon dated December 1, 2013. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether The Zuni Youth Enrichment Project's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Zuni Youth Enrichment Project's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned function. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management of The Zuni Youth Enrichment Project. However, this report is a matter of public record and its distribution is not limited.

William T. Barrett, CPA

Santa Fe, New Mexico  
December 1, 2013