

Kirtland Youth Association, Inc.

(A Non-Profit Corporation)

Financial Statements

with Report of Independent Auditors

Years ended September 30, 2008 and 2007

Traveller &

Company, LLC

Certified Public Accountants

500 North Marketplace Drive, Suite 202

Centerville, Utah 84014

Kirtland Youth Association, Inc.
(A Non-Profit Corporation)
Financial Statements
with Report of Independent Auditors

September 30, 2008 and 2007

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Traveller & Company LLC

Certified Public Accountants

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Report of Independent Auditors

The Board of Directors
Kirtland Youth Association, Inc.

We have audited the accompanying statements of financial position of Kirtland Youth Association, Inc. (A Non-Profit Corporation) as of September 30, 2008 and 2007 and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 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 Kirtland Youth Association, Inc. as of September 30, 2008 and 2007, the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Traveller & Company, LLC

January 30, 2009

Kirtland Youth Association, Inc.
 (A Non-Profit Corporation)
 Statements of Financial Position
 September 30, 2008 and 2007

Assets	2008	2007
Current assets:		
Cash and cash equivalents	\$ 3,470	\$ 28,289
Total current assets	3,470	28,289
Equipment, net of accumulated depreciation of \$8,283 for 2008 and \$3,784 for 2007	30,186	1,151
Total assets	\$ 33,656	\$ 29,440
Liabilities and net assets		
Current liabilities:		
Payroll tax payable	\$ 7,095	\$ 3,522
Total current liabilities	7,095	3,522
Unrestricted net assets	26,561	25,918
Total Net Assets	26,561	25,918
Total liabilities and net assets	\$ 33,656	\$ 29,440

See accompanying notes to financial statements.

Kirtland Youth Association, Inc.
(A Non-Profit Corporation)
Statements of Activities
Years ended September 30, 2008 and 2007

Changes in unrestricted net assets:	<u>2008</u>	<u>2007</u>
Revenue and gains:		
Contributions	\$ 120,438	\$ 89,934
After school program	8,812	12,714
Basketball registration	7,100	7,170
Summer recreation	7,210	6,558
Fundraising	1,375	1,020
Volleyball registration	816	907
Total income	<u>145,751</u>	<u>118,303</u>
Expenses:		
Program expenses	130,814	87,517
Supporting activities		
General & Administrative	13,139	13,160
Fundraising	1,155	1,050
	<u>14,294</u>	<u>14,210</u>
Total expense	<u>145,108</u>	<u>101,727</u>
Increase (decrease) in unrestricted net assets	643	16,576
Net assets at beginning of year	<u>25,918</u>	<u>9,342</u>
Net assets at end of year	<u>\$ 26,561</u>	<u>\$ 25,918</u>

See accompanying notes to financial statements.

Kirtland Youth Association, Inc.
(A Non-Profit Corporation)
Statements of Cash Flows
Years ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating activities		
Change in net assets	\$ 643	\$ 16,576
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	4,499	389
Changes in operating assets and liabilities:		
Payroll tax payable	3,573	1,026
Cash provided by (used in) operating activities	<u>8,715</u>	<u>17,991</u>
Investing activities		
Capital Expenditures	<u>(33,534)</u>	<u>(278)</u>
Cash used in investing activities	<u>(33,534)</u>	<u>(278)</u>
Financing activities	<u>—</u>	<u>—</u>
Increase/(decrease) in cash and cash equivalents	(24,819)	17,713
Cash and cash equivalents at beginning of year	28,289	10,576
Cash and cash equivalents at end of year	<u>\$ 3,470</u>	<u>\$ 28,289</u>

See accompanying notes to financial statements.

Kirtland Youth Association, Inc.

(A Non-Profit Corporation)

Statements of Functional Expenses Years ended September 30, 2008 and 2007

	Program Services	General & Administrative	Fund Raising	Total 2008	Total 2007
After school salary	\$ 40,334	\$ -	\$ -	\$ 40,334	\$ 24,624
Recreation program salary	35,126	-	-	35,126	18,179
Director salary	12,967	3,458	865	17,290	17,406
Program expense	17,680	-	-	17,680	13,378
Fees	-	6,771	-	6,771	8,350
Basketball & volleyball supplies	7,121	-	-	7,121	7,375
Payroll taxes	8,954	689	197	9,840	5,084
Insurance	2,749	687	-	3,436	2,091
Uniforms	841	-	-	841	1,495
Travel & Entertainment	-	-	-	-	1,205
Utilities	858	229	57	1,144	1,059
Automobile expenses	543	145	36	724	496
Office supplies	-	-	-	-	363
Education	-	-	-	-	100
Postage	42	10	-	52	50
Licenses & permits	-	130	-	130	50
Bank service charges	-	120	-	120	33
Total expenses before depreciation expense	127,215	12,239	1,155	140,609	101,338
Depreciation expense	3,599	900	-	4,499	389
Total expenses	\$ 130,814	\$ 13,139	\$ 1,155	\$ 145,108	\$ 101,727

See accompanying notes to financial statements.

Kirtland Youth Association, Inc.

(A Non-Profit Corporation)

Notes to Financial Statements

September 30, 2008 and 2007

1. Summary of Significant Accounting Policies

Organization

The Kirtland Youth Association, Inc. (the Association) is a not-for-profit organization founded in 1998 to provide recreational and educational activities for the youth of Kirtland, New Mexico and the surrounding communities. The Association sponsors youth basketball and volleyball leagues and provides an after school program for the youth of the Kirtland area. The Association also conducts summer recreational programs.

Cash and Cash Equivalents

Cash and cash equivalents consisted of cash on hand and demand deposit with banks or other financial institutions.

Equipment

Equipment is stated at cost. Depreciation is computed on the straight-line method based on a five year estimated useful life.

Income Taxes

Income taxes are not included in the accompanying financial statements since the Association is a nonprofit organization under the laws of the State of New Mexico and has qualified for tax-exempt status under the provision of the Internal Revenue Code 501(c)(3).

Use of estimates

Management of the Association has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

Donated Goods and Services

Volunteers have donated goods and services to the Association. No provision has been made in the accompanying financial statements, as the value of such donations is not determinable.

Contributions

Contributions are received from outside parties and recognized when received.

Kirtland Youth Association, Inc.

(A Non-Profit Corporation)

Notes to Financial Statements

September 30, 2008 and 2007

2. Equipment

Property and equipment is stated at cost and consisted of the following at December 31:

	2008	2007
Administrative equipment	\$ 8,293	\$ 3,504
Program equipment	30,176	1,432
	38,469	4,936
Less accumulated depreciation	(8,283)	(3,785)
	<u>\$ 30,186</u>	<u>\$ 1,151</u>