

**Native American Professional Parent Resources, Inc.**  
Financial Statements  
For the Year Ended June 30, 2006

# Native American Professional Parent Resources, Inc.

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June 30, 2006

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# Native American Professional Parent Resources, Inc.

## Official Roster

June 30, 2006

### Board of Directors

Jimmie Cimarron	Chairperson
Laura Watchempino	Vice-Chairperson
E. Frances Cherino	Secretary
Roger Madalena	Director
Amadeo Shije	Director

### Administrative

Jane Z. Larson	Executive Director
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Sanders & Sanders, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Native American Professional Parent Resources, Inc.

We have audited the accompanying statement of financial position of Native American Professional Parent Resources, Inc. (a nonprofit organization) as of June 30, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Native American Professional Parent Resources, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We 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 Native American Professional Parent Resources, Inc. as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Albuquerque, NM  
August 9, 2006

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**Native American Professional Parent Resources, Inc.**  
Statement of Financial Position  
June 30, 2006

<b>Assets</b>	
Cash	\$ 86,890
Accounts Receivable	113,085
Prepaid Expenses	3,785
Equipment, net	<u>12,514</u>
<b>Total Assets</b>	<b><u>\$ 216,274</u></b>
 <b>Liabilities and Net Assets</b>	
Liabilities	
Accounts Payable	\$ 26,835
Accrued Payroll	<u>63,937</u>
Total Liabilities	<u>\$ 90,772</u>
Net Assets	
Unrestricted	<u>125,502</u>
Total Net Assets	\$ 125,502
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 216,274</u></b>

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

**Native American Professional Parent Resources, Inc.**

Statement of Activities  
For the Year Ended June 30, 2006

Changes in Net Assets:

Unrestricted Assets

Revenues:

Contracts

Department of Health \$ 670,087

Medicaid 527,113

Other Revenues 1,946

Interest 398

Total Unrestricted Assets \$ 1,199,544

Total Revenues \$ 1,199,544

Expenses:

Program Expenses \$ 1,222,834

Management and General Expenses 15,681

Total Expenses \$ 1,238,515

Decrease in Net Assets (38,972)

Net assets at beginning of year 164,474

Net assets at end of year \$ 125,502

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

**Native American Professional Parent Resources, Inc.**

Statement of Functional Expenses  
For the Year Ended June 30, 2006

Program Services:	
Salaries	\$ 621,322
Employee Benefits	77,623
Occupancy	45,508
Consultants	266,681
Travel and Per Diem	65,765
Payroll Taxes	46,365
Utilities	16,021
Supplies	39,432
Conferences	2,105
Advertising	21,317
Insurance	6,544
Repairs and Maintenance	5,058
Subscriptions	<u>9,093</u>
Total Program Services	<u>1,222,834</u>
Management and General	
Board of Director's Fees	2,732
Depreciation	5,342
Bank Services	3,985
Accounting	3,584
Professional Services	<u>38</u>
Total Management and General	<u>15,681</u>
Total	<u>\$ 1,238,515</u>

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

**Native American Professional Parent Resources, Inc.**  
Statement of Cash Flows  
For the Year Ended June 30, 2006

Cash Flows form Operating Activities:	
Cash received from contracts	\$ 1,170,095
Interest received	398
Cash paid to employees and suppliers	<u>(1,223,465)</u>
Net cash provided by operating activities	(52,972)
Cash Flows form Investing Activities:	
Purchase of Fixed Assets	<u>(4,775)</u>
Net Decrease in cash	(57,747)
Cash at beginning of year	<u>144,637</u>
Cash at end of year	<u>\$ 86,890</u>
Reconciliation of changes in net assets to net cash provided by operating activities:	
Decrease in net assets	\$ (38,972)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	5,342
Increase in Accounts Receivable	(29,050)
Decrease in Accrued Expenses	1,428
Increase in Accounts Payable	8,280
Purchase of Fixed Assets	<u>(4,775)</u>
Net cash provided by operating activities	<u>\$ (57,747)</u>

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



# Native American Professional Parent Resources, Inc.

Notes to the Financial Statements  
For the Year Ended June 30, 2006

## Note 1. Summary Of Significant Accounting Principles

### Nature Of Operations

Native American Professional Parent Resources, Inc. (the Organization) is a New Mexico non-profit corporation that provides early childhood services. In addition, case management is performed to assist and enable a child (birth to three years of age) and the child's family to receive early intervention services.

The accounting policies of the Organization conform to United States generally accepted accounting principles as applicable to non-profit organizations. The following is a summary of the significant policies.

#### A. Basis Of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization 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.

Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

##### *Unrestricted net assets:*

Net assets that are not subject to donor-imposed stipulations.

##### *Temporarily restricted net assets:*

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. 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.

##### *Permanently restricted net assets:*

Net assets subject to donor-imposed stipulations requiring that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Native American Professional Parent Resources, Inc. has also adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with

SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

#### B. Contract Revenue

Support received under contracts is recorded as public support when the related amounts are determined to be due from grantor agencies. Management considers all amounts to be collectable.

#### C. Income Tax Status

Native American Professional Parent Resources, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) whereby only unrelated business income, as defined by Section 512 (a)(1) of the Code, is subject to Federal income tax. The Organization is not considered a private foundation under the Code.

#### D. Functional Expenses

Native American Professional Parent Resources, Inc. allocates its expenses on a functional basis among its various program services and management and general expenses. Program services are those activities which the Organization was created to conduct and which, along with activities commenced subsequently, form the basis for the Organization's exemption for income taxes. Expenses identifiable with specific functions are allocated directly according to their natural expenditure classification. Expenses that are not identifiable with specific functions are allocated to all functions. Allocations are made based on funding agency, budgetary authority or time devoted to various activities.

#### E. Inventory

There are no material amounts of inventory at June 30, 2006. Purchases for supplies are recorded as expenditures and are not recorded as an asset in the statement of financial position.

#### F. Use Of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### G. Donated Services

All services to the Organization are compensated, except those of its board of directors. No amounts have been reported in the financial statements for these donated services because no objective basis is available to measure the value of such services.

### H. Cash And Concentration Of Risk

The Organization, for purposes of the Statement of Cash Flows, considers cash to be the sum of cash and cash equivalents. Cash equivalents are short-term investments with an original maturity of three months or less.

### I. Advertising Costs

Advertising costs are expensed as incurred.

### Note 2. Property And Equipment

Property and equipment is stated at cost, or estimated value at date of gift (with some older items carried at costs estimated by management), and depreciated over its expected useful life of three to five years by use of the straight-line method. Expenditures for property and equipment of \$1,000 or more, with a life of more than one year are capitalized. Repairs and maintenance costs are expensed when incurred, while major betterments and replacements are capitalized. Donated fixed assets are valued at their estimated fair market value on the date donated.

A summary of changes in property & equipment follows:

	<u>Balance</u> <u>July 1, 2005</u>	<u>Adjustments</u>		<u>Balance</u> <u>June 30, 3006</u>
		<u>Additions</u>	<u>Deletions</u>	
Equipment	<u>\$ 37,492</u>	<u>\$ 4,775</u>	<u>\$ 0</u>	<u>\$ 42,267</u>
Accumulated Depreciation	(24,411)	(5,342)	(0)	(29,753)
Total	<u>\$ 13,081</u>	<u>\$ (567)</u>	<u>\$ 0</u>	<u>\$ 12,514</u>

### Note 3. Accounts Receivable

Management considers all receivables to be collectable and as such has not established an allowance for doubtful accounts according to United States generally accepted accounting principals. Should an account become un-collectable it would be immaterial to the financial statements when taken as a whole, and would be adjusted from the records. The following is a breakdown of the accounts receivable, by source type:

Contracts:	
Indian Health Services	\$ 18,060
NM Department of Health	12,686
Medicaid	<u>82,339</u>
Total \$	<u>\$ 113,085</u>

All accounts receivable have been collected subsequent to year-end.

Note 4. Retirement Plan

The Organization started a 403(b) retirement plan during fiscal year ended June 30, 2005. The organization did not match any funds of plan participants in the current year. All elective contributions to the retirement plan by employees have been deposited to the plan on the employee's behalf.