

United National Indian Tribal Youth, Inc.
Financial Statements and Independent Auditor's Report Thereon

June 30, 2010

Contents

Independent Auditor's Report	1
Statement of Financial Position.....	2
Statement of Activities.....	3
Statement of Cash Flows.....	4
Notes to Financial Statements.....	5-7

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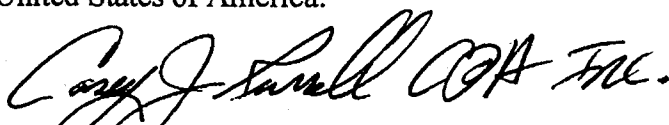
INDEPENDENT AUDITOR'S REPORT

To the Council of Trustees
United National Indian Tribal Youth, Inc.

We have audited the accompanying statements of financial position of United National Indian Tribal Youth, Inc. (UNITY) as of June 30, 2010, and the related statements of activities and cash flows for the year then ended. Those financial statements are the responsibility of UNITY'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 also 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 UNITY as of June 30, 2010, and its changes in net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.


February 18, 2011

UNITED NATIONAL INDIAN YOUTH, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2010

Assets

Cash Available for Current Operations	395,668.81
Cash Restricted by Grantor	310,300.00
Other Assets	114,248.59
Office Equipment	63,484.00
Accumulated Depreciation	<u>(62,048.62)</u>
Total Assets	<u>\$ 821,652.78</u>

Liabilities and Net Assets

Accounts Payable	12,709.92
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Net Assets Unrestricted	498,642.86
Net Assets Temporarily Restricted	<u>310,300.00</u>
Total Net Assets	<u>808,942.86</u>
Total Liabilities and Net Assets	<u>\$ 821,652.78</u>

UNITED NATIONAL INDIAN YOUTH, INC.
STATEMENT OF ACTIVITIES
For the Year Ending June 30, 2010

Changes in Unrestricted Net Assets

Revenues:

Contributions	169,396.51
Fees	91,574.70
Interest	1,681.30
Unrealized Gains (Loss) on Investments	15,688.59
Other	19,963.16
Released from Restrictions	<u>657,152.88</u>
Total Revenues	955,457.14

Expenses

Salaries and Fringe Benefits	403,294.10
Travel and Lodging	173,802.33
Printing and Promotion	20,260.17
Office Expenses	122,537.41
Consulting Services	401.74
Youth Leadership Conferences	135,477.10
Fund Raising Events	<u>2,562.55</u>
Total Expenses	<u>858,335.4000</u>

Net Increase (Decrease) in Unrestricted Net Assets

97,121.74

Changes in Temporarily Restricted Net Assets

Net Assets Restricted During the Year

Fees, Contributions and Grants	350,000.00
Released from Restrictions	<u>(657,152.88)</u>

Net Increase (Decrease) in Temporarily Restricted Net Assets

(307,152.88)

Change in Net Assets

(210,031.14)

Net Assets at Beginning of Year

1,018,974.00

Net Assets at End of Year

\$ 808,942.86

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

UNITED NATIONAL INDIAN TRIBAL YOUTH, INC.
STATEMENT OF CASH FLOWS
For the Year Ending June 30, 2010

Cash Flow from Operating Activities	
Change in Net Assets	(210,031.14)
Adjustments to Reconcile Change in Net Asset to Net Cash	
Provided by (Used In) Operating Activities	
Depreciation	747.58
Change in Operating Assets and Liabilities	
Grants Receivable	54,563.00
Investments	100.00
Other Assets	(15,688.59)
Accounts Payable	<u>(194.24)</u>
Net Cash Provided by (Used In) Operations	(170,503.39)
 Cash at Beginning of Year	 <u>876,472.20</u>
Cash at End of Year	<u><u>\$ 705,968.81</u></u>
Cash Available for Current Operations	395,668.81
Cash Restricted by Grantor	<u>310,300.00</u>
Total Cash	<u><u>\$ 705,968.81</u></u>

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENT
As of and for the year ending June 30, 2010

Note 1 – Summary of Significant Accounting Policies

Organization

United National Indian Tribal Youth, Inc. (UNITY) is a national organization promoting personal development, citizenship, and leadership among Native American youth. Its educational mission is to foster the spiritual, mental, physical, and social development of American Indian and Alaska Native youth and to help build a strong, unified, and self-reliant Native America through greater youth development.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Net assets are classified into three categories: unrestricted net assets, which have no donor-imposed restrictions; temporarily restricted net assets, which have donor-imposed restrictions that will expire in the future; and permanently restricted assets, which will have donor-imposed restrictions which do not expire.

UNITY reports information regarding its financial position and changes in net assets according to two of the three classes of net assets based in the existence or absence of donor-imposed restrictions as follows:

Unrestricted – expendable amounts available for support of UNITY's operations.

Temporarily restricted – amounts which have been temporarily restricted by donors for specific purposes or time periods. At June 30, temporarily restricted net assets consisted of the following:

	<u>2010</u>
Cash:	
San Manuel Band of Mission Indians	310,300.00
Total Temporarily Restricted Assets	<u>\$ 310,300.00</u>

UNITY has received grants from the San Manuel Band of Mission Indians in the amount of \$350,000. The funds are to provide capacity building for youth council advisors and other adults who work with Native youth as well as training for youth council leaders. The funds will also be used to sustain and strengthen the Unity organization, offer additional youth leadership training opportunities and youth programs as well as promote the "spirit of unity" among youth, tribal leaders, and community members and demonstrate what can be accomplished through such efforts.

Office equipment is stated at cost at the date of acquisition. Depreciation is computed on a straight-line method based upon an estimated useful life of five years for all office equipment.

Functional expenses

Expenses are allocated between program and supporting services based upon either actual usage or the estimated costs attributable to each function.

Cash

Cash consists of cash on hand and deposits in banks. UNITY maintains its cash balances in high credit quality financial institutions. At times, UNITY's cash may exceed federally insured limits, but UNITY believes any possible credit risk is minimal.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires UNITY's management to make estimates and assumptions that affect certain reported amounts and disclosures in these financial statements. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through February 18, 2011, the date the financial statements were available to be issued.

Note 2 – Income Taxes

No provision for income taxes has been made in the accompanying financial statements because UNITY is tax exempt from federal taxes on income related to its exempt purpose under the provisions of Internal Revenue Service Code Section 501(c)(3).

As long as UNITY complies with applicable regulations, it is not subject to income taxes. However, events or interpretations of such regulations could result in contingent income tax obligations. UNITY has elected to defer the adoption of certain accounting guidance that was issued to clarify the accounting for contingent income tax obligations as permitted by the standards. UNITY will continue to follow its current accounting for contingencies until adoption of the new guidance for the year ended June 30, 2010.

Note 3 – Beneficial Interest in Charitable Remainder Trusts

On May 10, 2000, Melvin F. Pervais (Settlor) created three charitable remainder trusts and gifted a 10% interest to UNITY in each. Two trusts have terms of twenty years and one has a term for the life of the Settlor, who receives the income of the trusts during their terms according to formulas contained in the trust document. At the termination of the trusts, the value paid to UNITY could be substantial and may be used for general purposes.