



SJT GROUP LLC
CERTIFIED PUBLIC ACCOUNTANTS



Financial Statements
and
Independent Auditors' Report
September 30, 2023

United National Indian Tribal Youth, Inc.

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Independent Auditors' Report

Board of Directors and Management
United National Indian Tribal Youth, Inc.

Opinion

We have audited the accompanying financial statements of United National Indian Tribal Youth, Inc., (UNITY) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, 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 UNITY as of September 30, 2023 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 UNITY 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 UNITY'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 UNITY'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 UNITY'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 have identified during the audit.

SJT Group LLC

Albuquerque, New Mexico
June 25, 2024

Financial Statements

United National Indian Tribal Youth, Inc.

Statement of Financial Position

September 30, 2023

Assets

Current assets

Cash and cash equivalents	\$ 1,126,411
Grants receivable	48,465
Accounts receivable	24,243
Prepaid expenses	<u>5,000</u>
Total current assets	<u>1,204,119</u>

Other Assets

Investments - quasi-endowment	32,721
Beneficial interest in trust	12,910
Property and equipment, net	<u>14,907</u>
Total other assets	<u>60,538</u>
Total assets	<u>\$ 1,264,657</u>

Liabilities and Net Assets

Current liabilities

Accounts payable	\$ 73,213
Deferred revenue	9,350
Accrued liabilities	<u>18,761</u>
Total liabilities	<u>101,324</u>

Net assets

Without donor restrictions:

Board designated	32,721
Undesignated	<u>1,117,702</u>
Total without donor restrictions	1,150,423

With donor restrictions 12,910

Total net assets 1,163,333

Total liabilities and net assets \$ 1,264,657

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

United National Indian Tribal Youth, Inc.

Statement of Activities For the Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support:			
Grants	\$ 468,645	\$ -	\$ 468,645
Sponsorships	49,390	-	49,390
Employee Retention Tax Credits	76,147	-	76,147
Contributions	447,078	-	447,078
In-kind revenue - donated rent	34,350	-	34,350
Total support	1,075,610	-	1,075,610
Earned and other revenue:			
Youth training and memberships	45,638	-	45,638
Investment income, net	4,865	-	4,865
Miscellaneous income	34,554	-	34,554
Change in beneficial interest in trust	-	3,482	3,482
Total earned and other revenue	85,057	3,482	88,539
Special events:			
Conference registration	1,016,322	-	1,016,322
Total special events	1,016,322	-	1,016,322
Total support and revenue	2,176,989	3,482	2,180,471
Expenses			
Program services	1,664,637	-	1,664,637
Management services	271,117	-	271,117
Fundraising services	56,655	-	56,655
Total expenses	1,992,409	-	1,992,409
Change in net assets	184,580	3,482	188,062
Net assets, beginning of year	965,843	9,428	975,271
Net assets, end of year	\$ 1,150,423	\$ 12,910	\$ 1,163,333

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

United National Indian Tribal Youth, Inc.

Statement of Functional Expenses For the Year Ended September 30, 2023

	Program Services	Supporting Services		Total
	Youth Services	Management and General	Fundraising	
Personnel Expenses:				
Salaries and wages	\$ 395,626	\$ 56,538	\$ 24,553	\$ 476,717
Employee benefits	52,080	7,442	3,232	62,754
Payroll taxes	44,879	6,414	2,785	54,078
Contract labor	11,787	4,025	414	16,226
Total personnel expenses	504,372	74,419	30,984	609,775
Operating Expenses:				
Conferences, conventions and meetings	447,025	3,515	1,000	451,540
Travel expenses	247,448	38,295	8,837	294,580
Professional fees	230,131	20,457	5,114	255,702
Accounting and legal	10,089	61,976	-	72,065
Occupancy	53,403	7,631	3,315	64,349
Promotion, giveaways and marketing	53,765	-	7,331	61,096
Supplies	31,509	9,950	-	41,459
Postage and printing	31,030	4,569	-	35,599
Information technology	31,447	3,887	-	35,334
Bad debt	-	15,953	-	15,953
Bank and merchant fees	-	11,598	-	11,598
Miscellaneous expense	-	10,660	-	10,660
Telephone and internet	6,705	2,274	-	8,979
Depreciation	5,703	767	-	6,470
Scholarships	6,157	-	-	6,157
Insurance	4,874	1,000	-	5,874
Licenses and fees	-	4,166	-	4,166
Staff training and development	979	-	74	1,053
Total expenses	\$ 1,664,637	\$ 271,117	\$ 56,655	\$ 1,992,409

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

United National Indian Tribal Youth, Inc.

Statement of Cash Flows For the Year Ended September 30, 2023

Cash flows from operating activities

Cash received from grants, contributions and sponsorships	\$ 1,026,776
Cash received from services	45,638
Cash received from special events	990,972
Cash received from sales and other	34,554
Cash paid to employees, contractors and suppliers	<u>(1,915,287)</u>
Net cash provided by operating activities	<u>182,653</u>
Net increase in cash and cash equivalents	182,653
Cash and cash equivalents, beginning of year	<u>943,758</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,126,411</u></u>

Reconciliation of change in net assets to net cash provided by operating activities

Change in net assets	<u>\$ 188,062</u>
Adjustments to change in net asset to net cash provided by operating activities:	
Depreciation	6,470
Loss on disposal of property and equipment	6,026
Unrealized gain on investments and beneficial interest trust	(8,347)
Changes in assets and liabilities	
Grants receivable	(24,591)
Accounts receivable	(24,243)
Prepaid expenses	3,858
Inventory	3,271
Accounts payable	58,536
Accrued liabilities	(1,039)
Deferred revenue	<u>(25,350)</u>
Total adjustments	<u>(5,409)</u>
Net cash provided by operating activities	<u><u>\$ 182,653</u></u>

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

United National Indian Tribal Youth, Inc.

Notes to Financial Statements

September 30, 2023

1) Organization

United National Indian Tribal Youth, Inc. (UNITY) is a national, 501(c)(3) nonprofit corporation, 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 Alaskan Native youth and to help build a strong, unified, and self-reliant Native America through greater youth development. UNITY's major sources of revenue are from grants, contributions and conference registrations.

2) Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of UNITY have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statements of UNITY have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require UNITY to report information regarding its financial position and activities according to the following net asset classifications:

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 UNITY. These net assets may be used at the discretion of UNITY'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 UNITY's or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, UNITY considers all highly liquid investments with an original maturity of three months or less at date of acquisition to be cash equivalents. Cash held in accounts with stock brokerage firms are reported as investments as they represent accounts used for purchases and sales of investments and are excluded from this definition.

United National Indian Tribal Youth, Inc.

Notes to Financial Statements

September 30, 2023

2) Summary of Significant Accounting Policies — continued

Concentration of credit risk

Financial instruments that potentially subject UNITY to concentrations of credit risk consist principally of cash and cash equivalents and investments. UNITY maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. UNITY also maintains cash balances with payment processors and investment accounts that are not covered by federal insurance. At September 30, 2023, UNITY had cash and cash equivalent bank balances that exceeded federally insured limits totaling \$659,029. UNITY has not experienced, nor does it anticipate, any losses with respect to such accounts.

Promises to Give (Pledges Receivable)

Unconditional promises to give are recognized as revenues in the period the promise is received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

Grants and Accounts Receivable

Management believes that grants and other receivables are fully collectible and, accordingly, no allowance for uncollectible accounts is considered necessary.

Prepaid Expenses

Prepaid expenses consists of advance rent payments.

Investments

Investments are measured at fair value in the statement of financial position. Investments are recorded at fair value as determined by quoted prices in active markets or other valuation inputs. Investment income or loss (including realized and unrealized gains and losses, net of investment expenses) is included in the change in net assets without donor restrictions in the accompanying statement of activities, unless the income or loss is restricted by the donor or law.

United National Indian Tribal Youth, Inc.

Notes to Financial Statements

September 30, 2023

2) Summary of Significant Accounting Policies — continued

Beneficial Interest in Trust

UNITY, periodically, learns it is the beneficiary of charitable trusts for which it is not the trustee. The trust is held by a bank, trust company or investment firm. Currently, UNITY is the beneficiary of a single trust. Under the agreement, UNITY recorded the contribution with donor restrictions at the fair value of UNITY's beneficial interest in the trust assets. Subsequent changes in the fair value of the beneficial interest in the trust assets are recorded as change in value of beneficial interest in trust to net assets with donor restrictions.

Property and Equipment

UNITY capitalizes all expenditures for property and equipment that materially prolong the useful life of an asset in excess of \$1,000. Property and equipment is carried at cost or fair value at the date of donation. Depreciation is recognized using the straight-line method over the assets' estimated life as follows:

Software and website	5 years
Furniture	5 years
Computers	5 years

Major additions and improvements are capitalized. Maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and gains and losses are included in operations.

Impairment of Long-Lived Assets

UNITY reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators are present.

United National Indian Tribal Youth, Inc.

Notes to Financial Statements

September 30, 2023

2) Summary of Significant Accounting Policies — continued

Income Taxes

UNITY is a public charity, nonprofit organization as defined in the Internal Revenue Code Section 501(c)(3) and is therefore exempt from federal and state income taxes. It is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. UNITY has processes presently in place to ensure they maintain their tax-exempt status; to identify and report unrelated income; to determine filing and tax obligations in jurisdictions for which they have nexus; and to identify and evaluate other matters that may be considered tax positions. UNITY has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. UNITY's open audit periods are for the fiscal year ended September 30, 2020, and thereafter.

Use of Estimates

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

Endowment

UNITY's endowment (the "Endowment") consists of one fund established by management to provide annual funding for general operations. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

UNITY's Board of Directors has interpreted Arizona's Management of Charitable Funds Act (MCFA), a version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary.

At September 30, 2023, there were no such donor stipulations. As a result of this interpretation, UNITY retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by UNITY in a manner consistent with the standard of prudence prescribed by UPMIFA.

United National Indian Tribal Youth, Inc.

Notes to Financial Statements

September 30, 2023

2) Summary of Significant Accounting Policies — continued

UNITY considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

Investment Return Objectives, Risk Parameters and Strategies – UNITY has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceed the annual distribution with acceptable levels of risk. Under this policy, endowment assets are invested in well-diversified asset mix, which include, but are not limited to equities, bond funds, equity funds, alternative investments and cash equivalents. UNITY’s spending and investment polices work together to achieve this objective.

Spending Policy – UNITY’s annual utilizations are at the discretion of the Board unless specific instructions were provided by the endowment donors. The current spending policy allows for distributions each year not to exceed 5% of the average market value of the fund, calculated on a rolling quarter average of the previous twelve quarters.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis, as follows:

<u>Expenses</u>	<u>Method of Allocation</u>
Administrative salaries, benefits and payroll	Time and effort
Occupancy and insurance expenses	Time and effort
Professional fees	Specific identification
Travel	Specific identification

United National Indian Tribal Youth, Inc.

Notes to Financial Statements

September 30, 2023

2) Summary of Significant Accounting Policies — continued

Revenue Recognition

The majority of UNITY's revenue consists of sponsorships, registration fees, contributions, pledges and agreements with funding sources. Revenue from conditional grants is recognized as UNITY incurs expenses that satisfy the grant requirements. Revenue from unconditional grants, pledges and donations is recognized when UNITY has the legal right to receive the money. Revenue from entry fees for special events, as well as sponsorships related to those events, is recognized when the event is held.

Government Grants

UNITY receives various cost reimbursement grant agreements. UNITY recognizes grant revenue as expenses are incurred. A receivable is recognized to the extent grant revenue earned exceeds cash advances. Conversely, refundable advances are recognized when cash advances exceed grant revenue earned. The grantor may at their discretion request reimbursement for expenses or return of funds, or both by UNITY as a result of noncompliance with the terms of the grant. In addition, if UNITY terminates its activities, all funds received in excess of expenditures are to be returned to the funding source.

Contributions and Grants

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed Property and Equipment

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by UNITY.

United National Indian Tribal Youth, Inc.

Notes to Financial Statements

September 30, 2023

2) Summary of Significant Accounting Policies — continued

Additionally, many individuals volunteer their time and perform a variety of tasks that assist UNITY with specific assistance programs, campaign solicitations, and various committee assignments. UNITY receives a significant amount of donated time from volunteers to assist with program services. In accordance with US GAAP, the value of the volunteer time is not recorded in the financial statements.

Donated Rent

During fiscal year 2023, UNITY recorded \$34,350 of donated rent, which consisted of donated use of facilities at various events throughout the year.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2 Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 Unobservable inputs that cannot be corroborated by observable market data. Inputs that are unobservable, including UNITY's own assumptions in determining the fair value of assets such as published catalogs, vendors, independent appraisals, and other sources. Methods such as estimates, averages, or computational approximations, such as average value per pound or subsequent sales can be used.

United National Indian Tribal Youth, Inc.

Notes to Financial Statements

September 30, 2023

2) Summary of Significant Accounting Policies — continued

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the assessment of the quality, risk, or liquidity profile of the asset or liability.

Promotion expenses

All promotion and giveaway expenses are expensed in the period incurred. Total promotion, giveaway and marketing expenses for the year ending September 30, 2023, were \$61,096.

Subsequent events

In preparing these financial statements, UNITY's management has evaluated events and transactions for potential recognition or disclosure through June 25, 2024, the date the financial statements were available for issuance. Management believes that there are no material subsequent events that have arisen that would require disclosure or accrual.

3) Availability and Liquidity

UNITY receives significant contributions and sponsorships each year from donors which are available to meet annual cash needs for operations. The following represents UNITY's financial assets to meet its operations needs as of September 30, 2023:

Cash and cash equivalents	\$ 1,126,411
Accounts receivable	24,243
Grants receivable	48,465
Investments - quasi-endowment	<u>32,721</u>
Financial assets available to be used within one year	<u>\$ 1,231,840</u>

UNITY's goal is to maintain financial assets to meet its current obligations. As part of its liquidity plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. UNITY expects to receive additional assets in the form of contributions and grants throughout the year to meet operational needs.

United National Indian Tribal Youth, Inc.

Notes to Financial Statements

September 30, 2023

4) Property and Equipment

Property and equipment consisted of the following at September 30, 2023:

Software and website	\$	32,350
Computers		1,538
Furniture		318
Accumulated depreciation		<u>(19,299)</u>
	\$	<u>14,907</u>

5) Accrued Liabilities

Accrued liabilities consisted of the following at September 30, 2023:

Accrued benefits	\$	9,217
Accrued payroll taxes and payables		5,288
Accrued leave		3,936
Other miscellaneous withholdings		<u>320</u>
Total accrued liabilities	\$	<u>18,761</u>

6) Lease Commitment and Rent Expense

UNITY leased office space for \$2,500/month through March 31, 2023 on a month-to-month basis. In April 2023, UNITY entered into a new lease agreement for one year that expires in March 2024, with monthly rent payments of \$2,500. Rent expense totaled \$30,000 for the year ended September 30, 2023. UNITY has elected to not show right-of-use assets or lease liabilities related to this lease, which is permitted under ASC 842 – *Leases* for leases with a term of one year or less.

7) Concentrations

During the year ended September 30, 2023, UNITY received 95% of its grant revenue from two grantors and 17% of contribution revenue from one donor. As of September 30, 2023, 100% of grants receivable were from one grantor. Concentrations of credit risk with respect to receivables and revenue are limited due to the relationship and history with this grantor.

United National Indian Tribal Youth, Inc.

Notes to Financial Statements

September 30, 2023

8) Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of \$12,910 purpose restricted funds in a beneficial interest trust at September 30, 2023. See also Note 11.

9) Retirement Plan

UNITY offers a SIMPLE retirement account plan for all full-time equivalent employees. UNITY can elect to make a nonelective contribution of 2% of eligible compensation for each employee, determined annually. For the year ended September 30, 2023, UNITY contributed \$8,864 to the plan on behalf of eligible employees.

10) Employee Retention Tax Credits

The Employee Retention Tax Credit (ERTC) was a refundable tax credit program created in response to the COVID-19 pandemic that incentivized companies and small businesses to maintain payroll during 2020 and 2021. To qualify, UNITY had to experience either full or partial suspension mandated by a government order due to the COVID-19 pandemic or have gross receipts fall below certain thresholds as compared to the comparable quarter in 2019.

The tax credit was equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States government, which extend and slightly expanded the qualified wage caps on these credits through September 30, 2021. Based on these additional provisions, the tax credit in 2021 was equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee was increased to \$10,000 of qualified wages per quarter.

UNITY determined that it was eligible to participate in this program and received a total of \$76,147 in ERTCs in June 2023 for qualified wages during these time periods. Because of the eligibility requirements of the ERTC, UNITY has determined that the conditions for recording the ERTC as revenue were met when the amended payroll tax returns were prepared and submitted to the IRS in fiscal year 2023. As a result, UNITY has reported revenue of \$76,147 in the statement of activities for the year ended September 30, 2023.

The amounts claimed under the ERTC are subject to audit by the IRS to verify that an entity has accurately calculated and claimed the ERTC in accordance with the provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and subsequent legislation. Any disallowed qualifying wages or benefits resulting from such audits could become a liability of UNITY.

United National Indian Tribal Youth, Inc.

Notes to Financial Statements

September 30, 2023

11) Investments

UNITY is invested in pooled funds with the Oklahoma City Community Foundation (OCCF). The pooled funds seek to preserve capital, reduce market volatility and enhance returns through diversifying strategies. Investments held in funds with OCCF are valued based on the value of the underlying assets held by OCCF and UNITY's percentage in OCCF's investment pool.

The fair value of the interest in the trust is estimated at the fair value of UNITY's portion of the underlying assets of the trust using information provided by the trustee. The following is a summary of investments measured at fair value on a recurring basis as of September 30, 2023:

		<u>Fair Value Measurements Using:</u>	
	Total	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Unobservable Inputs (Level 3)
Pooled funds held by foundation	\$ 32,721	\$ -	\$ 32,721
Exchange-traded funds	10,961	10,961	-
Equities	1,575	1,575	-
Cash sweep	374	374	-
Total investments at fair value	<u>\$ 45,631</u>	<u>\$ 12,910</u>	<u>\$ 32,721</u>

The following is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using level 3 inputs during fiscal year 2023:

	<u>Without Donor Restrictions</u>
Balance at September 30, 2022	\$ 27,856
Unrealized gain on investments	5,165
Investment fees	(300)
Balance at September 30, 2023	<u>\$ 32,721</u>

Net investment income and change in beneficial interest in trust consisted of the following for the year ended September 30, 2023:

Unrealized gain on investments	\$ 5,165
Change in beneficial interest trust	3,482
Investment fees	(300)
	<u>\$ 8,347</u>

United National Indian Tribal Youth, Inc.

Notes to Financial Statements

September 30, 2023

12) Endowment

The endowment composition by type of funds consisted of the following at September 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Original corpus - investments	\$ 20,000	\$ -	\$ 20,000
Accumulated investment earnings	<u>12,721</u>	<u>-</u>	<u>12,721</u>
Total investments at fair value	<u>\$ 32,721</u>	<u>\$ -</u>	<u>\$ 32,721</u>