



# HINKLE + LANDERS

Certified Public Accountants + Business Consultants

**MANUELITO NAVAJO  
CHILDREN'S HOME, INC.**

**INDEPENDENT AUDITORS' REPORT  
AND FINANCIAL STATEMENTS**

**For The Year Ended December 31, 2012  
With Comparative Totals for 2011**

**MANUELITO NAVAJO CHILDREN'S HOME, INC.**  
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**For The Year Ended December 31, 2012, With Comparative Totals For 2011**

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**MANUELITO NAVAJO CHILDREN'S HOME, INC.  
OFFICIAL ROSTER  
For The Year Ended December 31, 2012, With Comparative Totals For 2011**

**Official Roster**

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Greg Peterson	President
Clifton Tuggle	Vice-President
Lynn Dunson	Secretary
David Brown	Director
Joel Peterson	Director

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Manuelito Navajo Children's Home, Inc.

We have audited the accompanying financial statements of Manuelito Navajo Children's Home, Inc. (the Home) (a nonprofit organization) which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditors' Responsibility**

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Home as of December 31, 2012, 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.

**Report on Summarized Comparative Information**

We have previously audited the Home's 2011 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 23, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other-Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Hinkle & Landers, P.C.*

Hinkle + Landers, P.C.  
Albuquerque, NM  
July 10, 2013

**MANUELITO NAVAJO CHILDREN'S HOME, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**As of December 31, 2012, With Comparative Totals for 2011**

	Notes	2012	2011
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents:			
Unrestricted	B	\$ 33,885	41,840
Held for others		1,141	814
Total cash and cash equivalents		35,026	42,654
Accounts receivable, net		8,497	4,055
Prepaid assets		458	375
Current portion of notes receivable	E	2,207	2,291
Total current assets		46,188	49,375
<b>Non-current Assets</b>			
Investment in land	D	5,470	5,470
Notes receivable, net of current portion	E	72,621	75,305
Total non-current assets		78,091	80,775
Property and equipment, net	C	356,045	365,458
Total assets		\$ 480,324	495,608
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities</b>			
Accounts payable		\$ 9,852	7,856
Accrued expenses		12,543	24,506
Deferred tuition revenue		625	-
Funds held for children		1,141	814
Line of credit		-	65,000
Total liabilities		24,161	98,176
<b>Net Assets</b>			
Unrestricted:			
Net investment in property and equipment		356,045	365,458
General operating		100,118	31,974
Total net assets		456,163	397,432
Total liabilities and net assets		\$ 480,324	495,608

SEE INDEPENDENT AUDITORS' REPORT  
The accompanying notes are an integral part of these financial statements

**MANUELITO NAVAJO CHILDREN'S HOME, INC.**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended December 31, 2012, With Comparative Totals for 2011**

	<b>2012</b>	<b>2011</b>
<b>Revenue, support, and gains:</b>		
Contributions:		
Donations - Home	\$ <b>738,291</b>	720,933
Donations In-kind	<b>15,490</b>	20,329
Donations - School	<b>9,121</b>	<u>8,844</u>
Total support	<b>762,902</b>	<u>750,106</u>
Revenue and gains:		
School income	<b>51,263</b>	69,455
Special events	<b>36,175</b>	24,473
Less: cost of direct benefits	<b>(14,057)</b>	<u>(5,587)</u>
Net special events	<b>22,118</b>	18,886
Rental income	<b>8,519</b>	3,940
Local government contracts	<b>5,000</b>	5,000
Gain on disposition of fixed assets	<b>4,000</b>	-
Interest income	<b>2,312</b>	4,642
Miscellaneous	<b>782</b>	2,166
Dividends and royalties	<b>501</b>	<u>1,905</u>
Total revenue	<b>94,495</b>	<u>105,994</u>
Total revenue and support	<b>857,397</b>	856,100
<b>Expenses:</b>		
Operating expenses:		
Program services	<b>536,867</b>	574,424
General and administrative	<b>169,642</b>	180,197
Fundraising	<b>92,157</b>	<u>105,263</u>
Total operating expenses	<b>798,666</b>	<u>859,884</u>
Change in net assets	<b>58,731</b>	(3,784)
Net assets, beginning of year	<b>397,432</b>	<u>401,216</u>
Net assets, end of year	\$ <b><u>456,163</u></b>	<u>397,432</u>

SEE INDEPENDENT AUDITORS' REPORT  
The accompanying notes are an integral part of these financial statements

**MANUELITO NAVAJO CHILDREN'S HOME, INC.**  
**STATEMENT OF CASH FLOWS**  
**For The Year Ended December 31, 2012, With Comparative Totals for 2011**

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Donations	\$ 747,412	729,777
Dividends and royalties	501	1,905
Interest income	2,312	4,642
Miscellaneous sales	782	2,166
Rental income	8,519	3,940
School income	48,183	62,613
Special event revenue	36,175	24,473
Local government contracts	5,000	5,000
Total cash received	<u>848,884</u>	<u>834,516</u>
Less:		
Cash paid to suppliers and employees	763,791	783,507
Notes payable interest paid	4,490	11,297
Total cash paid out	<u>768,281</u>	<u>794,804</u>
Net cash (used) provided by operating activities	<u>80,603</u>	<u>39,712</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of fixed assets	4,000	-
Purchase of fixed assets	<u>(30,000)</u>	<u>(5,960)</u>
Net cash provided (used) by investing activities	<u>(26,000)</u>	<u>(5,960)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net proceeds from loans payable	-	(55,529)
Payment of notes payable	<u>(65,000)</u>	<u>-</u>
Proceeds received from notes receivable	2,769	2,687
Net cash used by financing activities	<u>(62,231)</u>	<u>(52,842)</u>
Net increase (decrease) in cash	<u>(7,628)</u>	<u>(19,090)</u>
Cash and cash equivalents, beginning of year	42,654	61,744
<b>Cash and cash equivalents, end of year</b>	<u>\$ 35,026</u>	<u>42,654</u>
<b>Reconciliation of changes in net assets to cash provided by operating activities</b>		
Change in net assets	\$ 58,731	(3,784)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	38,675	39,096
Bad debt expense	-	25,777
Loss/(gain) on disposition of fixed assets	(4,000)	-
Decrease (increase) in accounts receivable	(3,705)	(6,842)
Decrease (increase) in prepaid expenses	(83)	1,212
(Decrease) increase in accounts payable	1,996	(5,786)
(Decrease) increase in accrued expenses	(11,963)	(5,202)
(Decrease) increase in deferred revenue	625	-
(Decrease) increase in funds held for children	327	(4,759)
Net cash (used) provided by operating activities	<u>\$ 80,603</u>	<u>39,712</u>

SEE INDEPENDENT AUDITORS' REPORT  
The accompanying notes are an integral part of these financial statements



**MANUELITO NAVAJO CHILDREN'S HOME, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended December 31, 2012, With Comparative Totals For 2011**

**NOTE A - SUMMARY OF ACCOUNTING POLICIES**

The audited financial statements are presented for the Manuelito Navajo Children's Home, Inc. (The Home). The Home, located near Gallup, New Mexico, operates group residential sites for boys and girls through high school age. The Home is a ministry of the Gallup Church of Christ. The Board of Directors of the Home are required to be members of the Church of Christ.

In July 2007, the Home opened the Gallup Christian School (GCS) on the grounds of the Home. The school provides quality education from Preschool through Twelfth grade. GCS's teachers and administration are dedicated Christian professionals who challenge their students toward academic and moral excellence.

The Home is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Home has been classified as a publicly supported organization, which is not a private foundation under Section 509(a) of the Code. The Home's programs are supported primarily by contributions and school tuition.

**Classes of Net Assets**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification 958-205, *Financial Statements of Not-for Profit Organizations* and subsections (FASB ASC). Under ASC 958-205, the Home 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.

- a) Unrestricted amounts are those currently available at the discretion of the Board of Directors for use in the Home's programs, and those resources invested in land, buildings, and equipment.
- b) Temporarily restricted amounts are those which are restricted by donors for specific operating purposes or for the acquisition of land, buildings, and equipment.
- c) Permanently restricted amounts are those restricted by donors in perpetuity as endowments.

All contributions are considered available for unrestricted use, unless specifically restricted by the donor or subject to other legal restrictions.

Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted income and gains.

**Accounting for Uncertainty in Taxes Provisions**

The Home has adopted accounting principles generally accepted in the United States of America as they relate to uncertain tax positions. Any interest and penalties recognized associated with a tax position are classified as current in the organization's financial statements. Currently, the 2009, 2010, and 2011 tax years are open and subject to examination by the Internal Revenue Service and New Mexico Taxation and Revenue Department. However, the organization is not currently under audit nor has the organization been contacted by any of these jurisdictions. Management believes that they are operating within their tax-exempt purpose. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended December 31, 2012 or 2011.

**MANUELITO NAVAJO CHILDREN'S HOME, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended December 31, 2012, With Comparative Totals For 2011**

**Impairment of Long-Lived Assets**

The Home accounts for long-lived assets in accordance with the provisions of FASB ASC 360-10 and subsections, *Accounting for the Impairment of Long-Lived Assets*. ASC 360-10 requires that long-lived assets be reviewed 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 undiscounted 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 the fair value less costs to sell. Management does not believe impairment indicators are present as of December 31, 2012.

**Donated Services and Assets**

Contributions of services and materials are recognized in the accompanying financial statements in accordance with FASB ASC 958-605-25-16, *Accounting for Contributions Received and Contributions Made*; if the services received enhance or create non-financial assets, require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

The Home receives donated clothing, food, supplies, etc. from corporations and individuals. The donations are recorded at estimated fair value on the date of contribution. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. In the absence of any donor-imposed restrictions on the use of assets, the Home reports gifts of long-lived assets as unrestricted support in the period received. The Home has no donor restricted property and equipment to report in 2012 or 2011.

**Summary of Fair Value Exposure**

FASB ASC 820-10, *Fair Value Measurement* and subsections, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). (The inputs and methodology used for valuing the Home's financial assets and liabilities are not indicators of the risks associated with those instruments.) The three levels of the fair value hierarchy under ASC 820-10 are as follows:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

*Level 2* – Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable

**MANUELITO NAVAJO CHILDREN'S HOME, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended December 31, 2012, With Comparative Totals For 2011**

for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table sets forth by level, within the fair value hierarchy, the Home's financial assets measured at fair value as of December 31, 2012:

	<b>Assets at Fair Value</b>			
	Level 1	Level 2	Level 3	<b>Total</b>
Investment in land	\$ -	-	5,470	<b>5,470</b>
Total assets at fair value	\$ -	-	5,470	<b>5,470</b>

The following assumptions were used to estimate the fair value of the assets included in the table above:

- Investment in land – Asset has been valued at estimated fair market value at time of donation based on an appraisal conducted at that time. There have been no changes in valuation techniques and related inputs.

The table below reconciles the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	<b>Investment in land</b>
Beginning balance	\$ <b>5,470</b>
Purchases, issuance, and settlements	-
Transfers in and/or out of Level 3	-
Ending Balance	\$ <b>5,470</b>

**Functional Expenses**

The Home classifies expenses into three functions: Program services, General and Administrative, and Fund Raising. Program Services includes all funds expended directly or indirectly to support the programs of the Home. General and Administrative expenses represent administrative costs and costs associated with public information and donor accountability. Fund-raising expenses consist of expenses related to the solicitation of contributions.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Home considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Receivables**

Accounts receivable are stated at unpaid balances. The Home provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of customer to meet their obligations. For the year ended December 31, 2012, allowance for uncollectible accounts totaled \$0.

**MANUELITO NAVAJO CHILDREN'S HOME, INC**  
**NOTES TO FINANCIAL STATEMENTS**

**For The Year Ended December 31, 2012, With Comparative Totals For 2011**

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Home's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Notes receivable are reported at their outstanding principal adjusted for any applicable discounts. Discounts on notes receivable are amortized to income using the interest method over the remaining period to contractual maturity, adjusted for anticipated prepayments. Notes receivable are considered by management to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary. In making that determination, management evaluated the financial condition of the borrower's, the estimated value of the underlying collateral if applicable, and current economic conditions. Past due status is determined based on contractual terms. Loans are considered impaired if full principal or interest payments are not anticipated in accordance with the contractual terms.

**Property and Equipment**

Property and equipment are valued at cost at date of purchase or fair market value at the date of receipt, if donated. All purchases more than \$1,000 are capitalized. Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Home reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Home reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Depreciation is provided on the straight-line method over the estimated useful lives of the assets and is accounted for in the property and equipment fund and allocated to each function based upon utilization. Estimated useful lives for the purposes of depreciation are as follows:

<b><u>Classification</u></b>	<b><u>Depreciable Lives</u></b>
Land	Perpetuity
Land Improvements	15 Years
Furniture & Fixtures	5-10 Years
Building & Improvements	10-50 Years
Vehicles	5-10 Years
Tanks & Pumps	10 Years

Gains and losses on the disposition of property and equipment and investment assets are included in current funds - unrestricted.

**Public Support, Revenue and Expenses**

Contributions income is recorded when cash is received or when ownership of donated assets is transferred. Bequests are recorded as income at the time the Home has an established right to the bequest and the proceeds are measurable. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

**MANUELITO NAVAJO CHILDREN'S HOME, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended December 31, 2012, With Comparative Totals For 2011**

**Comparative Financial Information**

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Home's audited financial statements for the year ended December 31, 2011 from which the summarized information was derived.

**NOTE B - CASH AND CASH EQUIVALENTS**

The Home considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of the following at December 31:

Description	Location	2012	2011
Checking and savings	Local banks	\$ 33,785	41,740
Children's checking	Local banks	1,141	814
Petty cash	On site	100	100
Total cash		\$ 35,026	42,654

**NOTE C - PROPERTY AND EQUIPMENT AND DEPRECIATION**

Property and equipment consists of the following as of December 31:

Type	2011	Additions	Deletions	2012
Depreciable property and equipment				
Land improvements	\$ 4,303	-	-	4,303
Furniture and equipment	106,259	-	(1,303)	104,956
Buildings and improvements	920,072	-	-	920,072
Vehicles	108,677	30,000	-	138,677
Tanks and pumps	8,636	-	-	8,636
Total depreciable property and equipment	1,147,947	30,000	(1,303)	1,176,644
Less accumulated depreciation	(853,489)	(38,675)	565	(891,599)
Subtotal depreciable property & equipment (net)	294,458	(8,675)	(738)	285,045
Land	71,000	-	-	71,000
Total property and equipment (net)	\$ 365,458	(8,675)	(738)	356,045

Depreciation expense for the years ended December 31, 2012 and 2011 was \$38,675 and \$39,096, respectively.

**NOTE D - INVESTMENTS**

Investments consist of land that was donated to the Home. The policy of the Home is to recognize all realized and unrealized gains/losses in the current year.

Land is reported at the appraised value on the date of contribution. The investment in land is reported on the financial statements as a non-current asset.

Investments at December 31 are as follows:

**MANUELITO NAVAJO CHILDREN'S HOME, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**For The Year Ended December 31, 2012, With Comparative Totals For 2011**

Type	2012		2011	
	Fair Value	Cost	Fair Value	Cost
Land	\$ 5,470	5,470	5,470	5,470
Total	\$ 5,470	5,470	5,470	5,470

**NOTE E - NOTES RECEIVABLE**

Notes receivable at December 31 are as follows:

	2012	2011
Promissory note receivable (Property)	\$ 74,828	77,596
Less current portion	(2,207)	(2,291)
Notes receivable, net of current portion	\$ 72,621	75,305

In June 2004, the Home received a promissory note for \$95,943 representing the current value of a property sold by Ivanhoe Church of Christ. The note has an interest rate of 3% and matures in July 2032.

**NOTE F - OPERATING LEASE**

The Home was committed under lease for a Pitney Bowes mailing machine through July 31, 2013. This lease is considered for accounting purposes to be an operating lease. On December 12<sup>th</sup> 2012, the Home was able to reach a settlement with Pitney Bowes allowing them to settle the lease for an amount of \$3,600 or approximately 28% of the total due. As of December 31, 2012, the Home had no future lease commitments.

**NOTE G – PENSION PLAN**

The Home has a pension plan sponsored by Mass Mutual. All employees involved in the plan receive a monthly amount which is used towards retirement. The amount varies depending upon the employee. Each employee has the choice of putting the funds in a TSA. Employees have the option of deducting more from their own pay. Pension expense was \$4,627 and \$4,108 at December 31, 2012 and 2011, respectively.

**NOTE H – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued. The Home recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The Home's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are available to be issued. The Home has evaluated subsequent events through July 10, 2013, which is the date the financial statements were available to be issued.

**MANUELITO NAVAJO CHILDREN'S HOME, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**For The Year Ended December 31, 2012, With Comparative Totals for 2011**

	Programs	General and Administrative	Fundraising	<b>2012 Total</b>	2011 Total
<b>Personnel services:</b>					
Salaries, wages and other compensation	\$ 237,233	77,543	39,303	<b>354,079</b>	386,474
Payroll taxes	19,857	6,491	3,290	<b>29,638</b>	31,790
Employee benefits	79,506	25,988	13,172	<b>118,666</b>	112,479
Total personal services	<u>336,596</u>	<u>110,022</u>	<u>55,765</u>	<b>502,383</b>	530,743
<b>Other expenses:</b>					
Utilities	50,302	16,813	678	<b>67,793</b>	72,692
Insurance	24,549	10,548	3,260	<b>38,357</b>	32,925
Food	24,666	1,021	7,245	<b>32,932</b>	22,071
Auto expense	6,888	2,927	10,094	<b>19,909</b>	23,700
Repairs & maintenance	16,121	312	-	<b>16,433</b>	9,643
Other school expenses	11,561	-	-	<b>11,561</b>	3,912
Telephone	6,161	3,021	723	<b>9,905</b>	8,627
Legal & accounting	9,222	-	-	<b>9,222</b>	8,351
Bulletins	4,856	66	2,391	<b>7,313</b>	10,828
Office exp	1,480	1,455	3,474	<b>6,409</b>	14,424
Allowances-children	6,191	-	-	<b>6,191</b>	6,657
Supplies	2,266	21	3,082	<b>5,369</b>	3,846
Interest	2,618	1,872	-	<b>4,490</b>	11,297
Lodging	947	24	3,007	<b>3,978</b>	8,205
Postage	2,469	-	1,494	<b>3,963</b>	6,238
Taxes	1,250	408	207	<b>1,865</b>	1,853
Dues & memberships	1,180	540	-	<b>1,720</b>	1,146
Fees	1,091	290	265	<b>1,646</b>	832
Entertainment	1,535	-	9	<b>1,544</b>	2,938
Contract labor	1,432	-	-	<b>1,432</b>	608
Equipment and Facilities	1,193	-	7	<b>1,200</b>	400
Travel	534	-	293	<b>827</b>	4,257
Misc	724	14	-	<b>738</b>	-
Medicines & doctors	631	-	-	<b>631</b>	233
Clothing	618	-	4	<b>622</b>	1,484
Staff training	373	177	-	<b>550</b>	1,534
Incidental children's exp	521	-	-	<b>521</b>	907
Advertising	328	-	159	<b>487</b>	4,060
Benevolence	-	-	-	-	600
Bad debt	-	-	-	-	25,777
Total other expenses	<u>181,707</u>	<u>39,509</u>	<u>36,392</u>	<b>257,608</b>	<u>290,045</u>
Total expenses before depreciation	518,303	149,531	92,157	<b>759,991</b>	820,788
Depreciation	18,564	20,111	-	<b>38,675</b>	39,096
Total expenses	<u>\$ 536,867</u>	<u>169,642</u>	<u>92,157</u>	<b>798,666</b>	<u>859,884</u>