

Rocky Mountain Youth Corps

FINANCIAL STATEMENTS

June 30, 2025 and 2024

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Rocky Mountain Youth Corps

Opinion

We have audited the accompanying financial statements of Rocky Mountain Youth Corps (RMYC), a nonprofit organization, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of RMYC as of June 30 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 RMYC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 RMYC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audits 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 auditing standards generally accepted in the United States of America and *Government 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 RMYC'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 RMYC'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 audits, significant audit findings and certain internal control related matters that we identified during the audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 audits 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025, on our consideration of RMYC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RMYC's internal control over financial reporting and compliance.

Pulakos CPAs PC
Pulakos CPAs, PC

December 18, 2025

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Rocky Mountain Youth Corps

STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

| <u>Assets</u> | <u>2025</u> | <u>2024</u> |
|--|---------------------|---------------------|
| Current assets | | |
| Cash | \$ 2,167,904 | \$ 1,708,824 |
| Grants receivable, net | 521,579 | 551,546 |
| Inventories | 21,960 | 21,268 |
| Prepaid expenses | <u>63,097</u> | <u>50,164</u> |
| | | |
| Total current assets | 2,774,540 | 2,331,802 |
| Deposits | 7,600 | 7,600 |
| Right-of-use asset, net | 138,897 | 192,663 |
| Property and equipment, net | <u>575,152</u> | <u>562,000</u> |
| | | |
| Total assets | <u>\$ 3,496,189</u> | <u>\$ 3,094,065</u> |
| <u>Liabilities and Net Assets</u> | | |
| Current liabilities | | |
| Accounts payable | \$ 168,717 | \$ 187,190 |
| Accrued payroll and related taxes | 342,929 | 166,793 |
| Deferred revenue | 719,471 | 343,218 |
| Operating lease liability, current | 54,952 | 51,384 |
| Compensated absences | <u>34,299</u> | <u>28,494</u> |
| | | |
| Total current liabilities | 1,320,368 | 777,079 |
| Non-current liability - | | |
| operating lease liability, non-current | <u>94,511</u> | <u>149,463</u> |
| | | |
| Total liabilities | 1,414,879 | 926,542 |
| Net assets | | |
| Without donor restriction | 1,695,757 | 1,793,337 |
| With donor restriction | <u>385,553</u> | <u>374,186</u> |
| | | |
| Total net assets | <u>2,081,310</u> | <u>2,167,523</u> |
| Total liabilities and net assets | <u>\$ 3,496,189</u> | <u>\$ 3,094,065</u> |

Rocky Mountain Youth Corps

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2025

| | Without Donor Restriction | With Donor Restriction | Total |
|---|--------------------------------------|-----------------------------------|-------------------------|
| Revenues and gains and losses | | | |
| Federal and State grants | | | |
| and agreements | \$ 1,243,303 | \$ - | \$ 1,243,303 |
| Other grants and agreements | 700,479 | 107,425 | 807,904 |
| Fee for service | 1,505,718 | - | 1,505,718 |
| Contributions | 340,270 | - | 340,270 |
| Leadership, training fees and special events | 4,662 | - | 4,662 |
| Interest income | 16,849 | - | 16,849 |
| Miscellaneous income | 15 | - | 15 |
| Gain on sale of assets | 237 | - | 237 |
| Release from restriction | <u>96,058</u> | <u>(96,058)</u> | <u>-</u> |
| Total revenues and gains | 3,907,591 | 11,367 | 3,918,958 |
| Other support | | | |
| In-kind contributions | <u>18,580</u> | <u>-</u> | <u>18,580</u> |
| Total revenues, gains and other support | 3,926,171 | 11,367 | 3,937,538 |
| Expenses | | | |
| Program expenses | 3,310,300 | - | 3,310,300 |
| General and administrative | 567,928 | - | 567,928 |
| Fundraising | <u>145,523</u> | <u>-</u> | <u>145,523</u> |
| Total expenses | <u>4,023,751</u> | <u>-</u> | <u>4,023,751</u> |
| Change in net assets | (97,580) | 11,367 | (86,213) |
| Net assets, beginning of year | <u>1,793,337</u> | <u>374,186</u> | <u>2,167,523</u> |
| Net assets, end of year | <u>\$ 1,695,757</u> | <u>\$ 385,553</u> | <u>\$ 2,081,310</u> |

Rocky Mountain Youth Corps

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2024

| | Without Donor Restriction | With Donor Restriction | Total |
|---|--|-----------------------------------|---------------------|
| Revenues and gains and losses | | | |
| Federal and State grants | | | |
| and agreements | \$ 1,497,063 | \$ - | \$ 1,497,063 |
| Other grants and agreements | 579,291 | 62,875 | 642,166 |
| Fee for service | 1,469,418 | - | 1,469,418 |
| Contributions | 76,153 | - | 76,153 |
| Leadership, training fees and special events | 23,740 | - | 23,740 |
| Interest income | 15,641 | - | 15,641 |
| Miscellaneous income | 969 | - | 969 |
| Loss on sale of assets | (22,234) | - | (22,234) |
| Release from restriction | <u>89,417</u> | <u>(89,417)</u> | <u>-</u> |
| Total revenues, gains and losses | 3,729,458 | (26,542) | 3,702,916 |
| Other support | | | |
| In-kind contributions | <u>11,880</u> | <u>-</u> | <u>11,880</u> |
| Total revenues, gains and losses and other support | 3,741,338 | (26,542) | 3,714,796 |
| Expenses | | | |
| Program expenses | 3,145,482 | - | 3,145,482 |
| General and administrative | 497,242 | - | 497,242 |
| Fundraising | <u>150,167</u> | <u>-</u> | <u>150,167</u> |
| Total expenses | <u>3,792,891</u> | <u>-</u> | <u>3,792,891</u> |
| Change in net assets | (51,553) | (26,542) | (78,095) |
| Net assets, beginning of year | <u>1,844,890</u> | <u>400,728</u> | <u>2,245,618</u> |
| Net assets, end of year | <u>\$ 1,793,337</u> | <u>\$ 374,186</u> | <u>\$ 2,167,523</u> |

Rocky Mountain Youth Corps

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2025 and 2024

| | 2025 | 2024 |
|---|---------------------|---------------------|
| Operating activities | | |
| Change in net assets | \$ (86,213) | \$ (78,095) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 28,121 | 31,035 |
| Amortization of right-of-use asset | 53,766 | - |
| (Gain) loss on sale of assets | (237) | 22,234 |
| Changes in operating assets and liabilities | | |
| Grants receivable, net | 29,967 | 404,662 |
| Inventories | (692) | 798 |
| Prepaid expenses | (12,933) | (40,566) |
| Accounts payable | (18,473) | 39,655 |
| Accrued payroll and related taxes | 176,136 | 3,454 |
| Deferred revenue | 376,253 | (4,952) |
| Operating lease liability | (51,384) | 5,783 |
| Compensated absences | <u>5,805</u> | <u>(5,525)</u> |
| Net cash provided by operating activities | 500,116 | 378,483 |
| Investing activities | | |
| Purchases of property and equipment | (41,836) | (31,269) |
| Proceeds from sale of property and equipment | <u>800</u> | <u>2,564</u> |
| Net cash used by investing activities | <u>(41,036)</u> | <u>(28,705)</u> |
| Net change in cash and cash equivalents | 459,080 | 349,778 |
| Cash and cash equivalents, beginning of year | <u>1,708,824</u> | <u>1,359,046</u> |
| Cash and cash equivalents, end of year | <u>\$ 2,167,904</u> | <u>\$ 1,708,824</u> |

Rocky Mountain Youth Corps

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025

| | Program Expenses | General and Administrative | Fundraising | Total Expenses |
|--|-----------------------------|---------------------------------------|-----------------------|---------------------------|
| Compensation and related employee benefits | \$ 2,463,127 | \$ 300,212 | \$ 96,399 | \$ 2,859,738 |
| Transportation | 296,921 | 1,401 | 170 | 298,492 |
| Lease expense | 37,516 | 109,284 | 8,327 | 155,127 |
| Professional services | 121,004 | 10,637 | 20,066 | 151,707 |
| Supplies and materials | 127,576 | 8,350 | 19 | 135,945 |
| Dues and subscriptions | 11,851 | 73,019 | 4,672 | 89,542 |
| Insurance | 67,457 | 16,207 | 5,146 | 88,810 |
| Training and education | 35,261 | 1,998 | - | 37,259 |
| Travel | 25,826 | 6,290 | 967 | 33,083 |
| Evaluation | 28,302 | 34 | - | 28,336 |
| Depreciation | 27,341 | 552 | 228 | 28,121 |
| Uniforms | 26,331 | - | - | 26,331 |
| Printing and copying | 5,166 | 6,498 | 8,296 | 19,960 |
| In-kind expense | - | 18,580 | - | 18,580 |
| Advertising and promotion | 15,992 | 21 | - | 16,013 |
| Telephone | 7,034 | 8,451 | 120 | 15,605 |
| Utilities | 4,460 | 4,730 | 1,113 | 10,303 |
| Miscellaneous | 4,728 | 1,557 | - | 6,285 |
| Maintenance and repairs | <u>4,407</u> | <u>107</u> | <u>-</u> | <u>4,514</u> |
| Total expenses | <u>\$ 3,310,300</u> | <u>\$ 567,928</u> | <u>\$ 145,523</u> | <u>\$ 4,023,751</u> |

Rocky Mountain Youth Corps

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024

| | Program Expenses | General and Administrative | Fundraising | Total Expenses |
|--|-----------------------------|---------------------------------------|-----------------------|---------------------------|
| Compensation and related employee benefits | \$ 2,273,322 | \$ 289,559 | \$ 106,975 | \$ 2,669,856 |
| Transportation | 252,918 | - | 108 | 253,026 |
| Professional services | 182,160 | 27,613 | 9,880 | 219,653 |
| Lease expense | 92,690 | 67,120 | 14,007 | 173,817 |
| Supplies and materials | 105,238 | 2,568 | 432 | 108,238 |
| Insurance | 53,179 | 14,896 | 4,545 | 72,620 |
| Dues and subscriptions | 2,301 | 62,778 | 3,699 | 68,778 |
| Training and education | 55,646 | 2,768 | 84 | 58,498 |
| Depreciation | 30,219 | 480 | 336 | 31,035 |
| Evaluation | 26,930 | - | - | 26,930 |
| Travel | 18,580 | 3,275 | 1,891 | 23,746 |
| Uniforms | 17,314 | 876 | - | 18,190 |
| Advertising and promotion | 13,059 | 38 | 486 | 13,583 |
| Telephone | 5,046 | 7,810 | 180 | 13,036 |
| In-kind expense | - | 8,880 | 3,000 | 11,880 |
| Utilities | 7,397 | 1,525 | 1,319 | 10,241 |
| Printing and copying | 838 | 5,649 | 3,225 | 9,712 |
| Miscellaneous | 8,645 | 510 | - | 9,155 |
| Maintenance and repairs | - | 897 | - | 897 |
| Total expenses | <u>\$ 3,145,482</u> | <u>\$ 497,242</u> | <u>\$ 150,167</u> | <u>\$ 3,792,891</u> |

Rocky Mountain Youth Corps

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 1 – NATURE OF BUSINESS

Rocky Mountain Youth Corps (RMYC) is a not-for-profit organization located and incorporated in Taos, New Mexico in November of 1994. RMYC establishes community service projects in collaboration with various governmental, business, and nonprofit organizations and facilitates these community service projects through employment of young people eager to gain work experience. RMYC provides meaningful, paid work experience and education to youth focusing on personal development in the areas of financial management, communication, employment training, work-specific skills and civic responsibility. RMYC also meets significant community needs, primarily in the areas of community development, environmental restoration and education.

RMYC operates the following programs:

Conservation and Training

RMYC Conservation Crews provide community beautification, preservation and environmental enhancement projects. Field crew members learn about natural resource management and gain a conscientious respect for the environment.

The Leadership and Training Center is the internal training provider for RMYC that also offers its powerful training to community partners. The staff of this program offers project specific trainings, workforce development trainings and personal leadership trainings to RMYC's members. In addition, the Ropes Course is offered to every crew but also made available to community organizations looking to take advantage of the team building, leadership preparation and personal goal-setting opportunities the Ropes Course has to offer.

Prevention Program

A Taos area initiative to mitigate and prevent alcohol and drug abuse among the general population of the county and surrounding Native American Pueblos.

Canine-Assisted Leadership Program

In 2018, RMYC initiated the Canine Assisted Leadership Crew to provide paid work experiences for youth ages 15-22 who have barriers to employment, such as disability or health conditions, themselves. The Canine-Assisted Leadership Crew members and the service dogs are training, will also be Camp Counselors at Camp L.E.A.D., a leadership, empowerment, and abuse prevention day camp in Taos for younger children with disabilities. This program ended in December 2023.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the statements of cash flows, RMYC considers unrestricted highly liquid investments with an original maturity date of 90 days or less to be cash equivalents. Cash held at financial institutions is periodically in excess of federally insured limits.

Rocky Mountain Youth Corps

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investments

Investments consist of fixed income securities with readily determinable fair values and are reported at their fair values based on quoted prices in active markets in the statements of financial position. Investment gains and losses are included in the change in net assets in the accompanying statements of activities and changes in net assets.

Grants Receivable

Grants and accounts receivable are stated at their estimated collectible amounts. Receivables are considered delinquent if not paid within 90 days of invoice date.

Management considers grants and accounts receivable to be fully collectible, and accordingly, no allowance has been provided for credit losses for fiscal years 2025 and 2024, respectively.

Inventory

Inventory consists of uniforms used in support of RMYC's AmeriCorps Programs. Inventories are stated at the lower of cost (first-in, first-out) or market.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for repairs and maintenance are charged to expense as incurred. Depreciation and amortization of fixed assets are computed using the straight-line method at rates sufficient to recover the basis of the asset over its estimated useful life. The lives used to compute depreciation and amortization range from three to five years. Acquisitions of property and equipment over \$500 and useful life greater than one year are capitalized.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are recorded as temporarily restricted support. It is RMYC's policy to record donations of property and equipment that have no donor restrictions as without donor restrictions support in the period of contribution.

Revenue Recognition

Support from grants and contracts is recognized when earned or when expenditures have been incurred in accordance with provisions of the associated grants and contracts. Monies received but not earned during the fiscal year are recorded as deferred revenue. Fee for service revenue is recognized as the service is performed.

Contributions and unconditional promises-to-give are recognized as revenues in the period received. Conditional promises-to-give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Non-cash donations are recorded at their estimated fair value on the date of donation.

Rocky Mountain Youth Corps

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue Recognition – Continued

Donor-restricted contributions are reported as increases in with donor restrictions net assets, depending on the nature of the restrictions. When a restriction expires, with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in without donor restrictions net assets if the restrictions expire in the reporting period in which revenue is recognized.

The beginning and ending balances of contract assets and liabilities were as follows:

| | 2025 | 2024 |
|---|-------------|-------------|
| Contract balances: | | |
| Grants receivable, net, beginning of year | \$ 551,546 | \$ 956,208 |
| Grants receivable, net, end of year | 521,579 | 551,546 |
| Deferred revenue, net, beginning of year | 343,218 | 348,170 |
| Deferred revenue, net, end of year | 719,471 | 343,218 |

Donated Goods and Services

Donated goods and services are recorded at their estimated fair values as of the date of contribution and capitalized if in excess of the \$500 threshold policy. Contributions of services are recognized in the financial statements if the services received enhance or create nonfinancial assets, require specialized skills, and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In-kind contributions were \$18,580 and \$11,880 in 2025 and 2024, respectively. In-kind contributions consisted of donated space at various schools, donated wages for crew services, donated time for presentations and workshops, donated equipment, donated items for the annual dinner and donated rent for the Albuquerque office.

Net Assets

The financial statements of RMYC have been prepared in accordance with accounting principles generally accepted in the United States of America, which require RMYC to report information regarding its financial position and activities and changes in net assets 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 RMYC. These net assets may be used at the discretion of the RMYC'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 RMYC or by the passage-of-time.

Rocky Mountain Youth Corps

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Net Assets – Continued

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 and changes in net assets.

Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs were \$16,013 and \$13,583 in 2025 and 2024, respectively.

Functional Classification of Expenses

RMYC presents its expenses on a functional basis among its various programs and support services. Expenses and support services that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several programs are allocated based on various relationships such as direct labor hours and square footage.

Financial Instruments

The carrying amounts of cash, receivables, payables, and accrued liabilities and other obligations approximate fair value due to the short-term nature of these instruments.

Income Taxes

RMYC is a nonprofit charitable corporation and has been recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code. RMYC has adopted accounting principles generally accepted in the United States of America, as they relate to uncertain tax positions, and has evaluated its tax positions taken for open tax years. Management believes that the activities of RMYC are within their tax-exempt purpose, and that there are no uncertain tax positions that require disclosure or recognition in the financial statements.

Estimates

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

Subsequent Events

RMYC has evaluated all events occurring subsequent to June 30, 2025 through December 18, 2025, which is the date that the financial statements were issued and believes that all events occurring during this period that require either recognition or disclosure in the accompanying financial statements have been properly disclosed and recognized as applicable.

Rocky Mountain Youth Corps

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects RMYC's financial assets as June 30, 2025 and 2024 available for general expenditure within one year of the statements of financial position date:

| | 2025 | 2024 |
|--|-------------------------|-------------------------|
| Cash | \$ 2,167,904 | \$ 1,708,824 |
| Grants receivable, net | <u>521,579</u> | <u>551,546</u> |
| Total financial assets | 2,689,483 | 2,260,370 |
| Less amounts not available to be used within one year: | | |
| Net assets with donor restrictions | <u>(385,553)</u> | <u>(374,186)</u> |
| Financial assets available to meet cash needs for general expenditure | <u>\$ 2,303,930</u> | <u>\$ 1,886,184</u> |

RMYC manages its cash flow and liquidity on an on-going basis to ensure that sufficient funds are available to cover current operational needs. RMYC's goal is generally to maintain a level of financial assets sufficient to cover one year of operating expenses which is approximately \$597,000 and \$524,000 as of June 30, 2025 and 2024, respectively.

NOTE 4 – PROPERTY AND EQUIPMENT

As of June 30, 2025 and 2024, property and equipment consisted of the following:

| | 2025 | 2024 |
|---------------------------------------|-----------------------|-----------------------|
| Vehicles, tools, and equipment | \$ 328,414 | \$ 288,899 |
| Ropes course | 57,454 | 57,454 |
| Furniture and fixtures | <u>-</u> | <u>17,418</u> |
| 385,868 | 363,771 | |
| Less accumulated depreciation | <u>(322,363)</u> | <u>(294,499)</u> |
| 63,505 | 69,272 | |
| Construction in progress | 249,014 | 230,095 |
| Land | <u>262,633</u> | <u>262,633</u> |
| Total property and equipment, net | <u>\$ 575,152</u> | <u>\$ 562,000</u> |

Construction in progress consisted of architectural fees and salaries incurred for the construction of the new campus.

Rocky Mountain Youth Corps

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 5 – LINE-OF-CREDIT

RMYC has a revolving line-of-credit for up to \$250,000 secured by real estate, with interest at 8.25% that matured in May 31, 2025. The outstanding balance was zero at June 30, 2025 and 2024, respectively. Management is in negotiations with the financial institution regarding renewing the line-of-credit and currently does not have a line-of-credit available.

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

| | <u>2025</u> | <u>2024</u> |
|---|-------------------|-------------------|
| With donor restriction – program restrictions | <u>\$ 385,553</u> | <u>\$ 374,186</u> |

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose by the donors for the years ended June 30, 2025 and 2024, respectively.

NOTE 7 – BENEFIT PLANS

RMYC provides retirement benefits to its employees through a Simple IRA contribution plan covering all full-time employees over the age of 18 and with 60 days of eligible experience. RMYC matches employee contributions of 1% to a maximum of 3% of gross wages. Employees are 100% vested in the value of their Simple IRA plan at all times. RMYC contributed \$16,585 and \$12,498 to this plan in 2025 and 2024, respectively.

NOTE 8 – LEASING ACTIVITIES

RMYC has an operating lease for a building. This lease has a remaining lease term of 5 years.

The maturities of lease liabilities of operating leases are as follows for fiscal years ending June 30:

| | |
|----------------------------------|-------------------|
| 2026 | \$ 59,290 |
| 2027 | 61,062 |
| 2028 | <u>36,232</u> |
| | |
| Total lease payments | 156,584 |
| Less: interest | <u>(7,121)</u> |
| | |
| Present value of lease liability | <u>\$ 149,463</u> |

Rocky Mountain Youth Corps

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE 8 – LEASING ACTIVITIES – CONTINUED

RMYC also leases another building and operating equipment under short term leases. RMYC does not record lease liabilities or ROU assets for leases with an initial term of 12 months or less or those that are clearly inconsequential to the financial statements. Total lease expense for the years ending June 30, 2025 and 2024 was \$106,515 and \$137,783, respectively. Operating lease expense is recognized on a straight-line basis.

The weighted average remaining lease term was 2.59 years and 3.59 years as of June 30, 2025 and 2024, respectively. The weighted average discount rate was 3.48% as of June 30, 2025 and 2024, respectively. Total cash paid for leases was \$99,556 and \$126,978 in 2025 and 2024, respectively.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Grants

RMYC receives a significant portion of its revenue from grants and from contracts with federal government agencies, leaving RMYC subject to possible fluctuations resulting from changes in federal governmental funding priorities. RMYC received approximately 55% and 64% in 2025 and 2024, respectively, of its gross revenues from such grants and contracts. Related receivables were approximately 15% and 14% of total receivables as of June 30, 2025 and 2024, respectively.

Certain funds received are subject to review and audit by grantor agencies. Such audits could result in requests for reimbursement by the grantor agencies for amounts disallowed under terms and conditions of the grant agreements. As of June 30, 2025 and 2024, respectively, no amounts were due to grantor agencies as a result of these examinations.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Rocky Mountain Youth Corps

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2025

| Federal Grantor/ Pass-Through Grantor/ Program Title | Assistance Listing Number | Federal/ Pass-Through Grant I.D. Number | Federal Expenditures |
|---|--|--|---------------------------------|
| U.S. Corporation for National and Community Service | | | |
| Public Health AmeriCorps Program – Prevention | 94.006 | 23ND253303 | \$ 3,846 |
| Public Health AmeriCorps Program – Prevention | 94.006 | 24ND262577 | 16,242 |
| Passed through from the New Mexico Department of Workforce Solutions (NMDWS): | | | |
| AmeriCorps Formula (2024) | 94.006 | 24-631-7004-00038 | 187,115 |
| AmeriCorps Formula (2025) | 94.006 | 25-631-7004-00049 | <u>452,845</u> |
| Total passed through NMDWS | | | <u>639,960</u> |
| Total U.S. Corporation for National and Community Service | | | 660,048 |
| U.S. Department of Treasury | | | |
| Passed through from the New Mexico Economic Development Department: | | | |
| Coronavirus State and Local Fiscal Recovery Fund - Marketing | 21.027 | CSLFRF | 27,330 |
| Coronavirus State and Local Fiscal Recovery Fund - Trails | 21.027 | CSLFRF | <u>24,162</u> |
| Total U.S. Department of Treasury | | | 51,492 |
| U.S. Department of Health and Human Services | | | |
| Prevention and Treatment of Substance Abuse | 93.959 | BD30: SAPT Block Grant | 125,766 |
| U.S. Department of Agriculture | | | |
| Urban and Community Forestry Corps | 10.727 | 24-CA-11132544- 007 | 190,300 |

Rocky Mountain Youth Corps

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2025

| Federal Grantor/ Pass-Through Grantor/ Program Title | Assistance Listing Number | Federal/ Pass-Through Grant I.D. Number | Federal Expenditures |
|---|--|--|---------------------------------|
| U.S. Department of the Interior | | | |
| Passed through U.S. Fish and Wildlife Service | | | |
| Youth Engagement, Education, and Employment - Conservation Program | 15.676 | F22AC01120-00 | 18,715 |
| Youth Engagement, Education, and Employment - Conservation Program | 15.676 | F22AC01120-02 | <u>10,711</u> |
| Total U.S. Fish and Wildlife Service | | | 29,426 |
| Passed through Bureau of Reclamation | | | |
| Conservation Program | 15.546 | R20AC00115 | 125,509 |
| Passed through Bureau of Land Management | | | |
| NM Youth Crews Kasha-Katuwe | | | |
| Tent Rocks | 15.243 | L20AC00387 | 17,565 |
| Taos Field Office Crew Work | 15.243 | L21AC10435 | 24,618 |
| Albuquerque Field Office | | | |
| Crew Work | 15.243 | L21AC10437-00 | 2,862 |
| NM Wilderness, Recreation and Field Office Crews | 15.243 | L22AC00624-00 | 62,492 |
| Statewide Crew Work | 15.243 | L23AAC00550 | 25,988 |
| NM Wilderness and Ecological/ Botanical Interns | 15.243 | L22AC00628-00 | 10,496 |
| NM Continental Divide Trail | | | |
| Maintenance and Improvements | 15.243 | L24AC00717-00 | <u>16,569</u> |
| Total for Bureau of Land Management | | | 160,590 |
| Passed through National Park Service | | | |
| Engaging and Mentoring Youth in Trails & Preservation Work | 15.931 | P23AC00768-00 | 114,276 |
| Establishment of the 2022 Pecos NHP Conservation Corps | 15.931 | P22AC001371-00 | 10,291 |
| American Sign Language Support 2023-2024 | 15.931 | P23AC01298-00 | 24,166 |

Rocky Mountain Youth Corps

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2025

| Federal Grantor/ Pass-Through Grantor/ Program Title | Assistance Listing Number | Federal/ Pass-Through Grant I.D. Number | Federal Expenditures |
|---|--|--|---------------------------------|
| U.S. Department of the Interior - Continued | | | |
| Passed through National Park Service - Continued | | | |
| Petroglyph Cyclic Vegetation Management and Fence Maintenance | 15.931 | P23AC01046-00 | 15,147 |
| American Sign Language Support 2024-2025 | 15.931 | P24AC01480-00 | 86,513 |
| Total National Park Service | | | <u>250,393</u> |
| Total U.S. Department of the Interior | | | <u>565,918</u> |
| Total federal expenditures | | | <u>\$ 1,593,524</u> |

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of RMYC under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of RMYC, it is not intended to and does not present the financial position, activities and changes in net assets and cash flows or functional expenses of RMYC.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance where certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

RMYC has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERSBASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Rocky Mountain Youth Corps

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of Rocky Mountain Youth Corps (RMYC), a nonprofit organization, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended and the related notes to the financial statements and have issued our report thereon dated December 18, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered RMYC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RMYC's internal control. Accordingly, we do not express an opinion on the effectiveness of the RMYC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of RMYC's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether RMYC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

RMYC's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on RMYC's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. RMYC's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RMYC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RMYC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pulakos CPAs PC

Pulakos CPAs, PC

December 18, 2025

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
Rocky Mountain Youth Corps

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Rocky Mountain Youth Corps (RMYC) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of RMYC's major federal programs for the year ended June 30, 2025. RMYC's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, RMYC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of RMYC and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of RMYC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to RMYC's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on RMYC's compliance based on our audit. 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 auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about RMYC's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 RMYC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of RMYC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of RMYC's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

December 18, 2025

Pulakos CPAs PC

Pulakos CPAs, PC

Rocky Mountain Youth Corps

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2025

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes No

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes No

Type of auditors' report issued on compliance
for major programs:

Unmodified

Any audit findings disclosed that are required
to be reported in accordance with *Uniform Guidance*,
Section 200.516

Yes No

Identification of major programs:

CFDA Numbers(s)

Name of Federal Program or Cluster

94.006

U.S. Corporation for National and
Community Service: AmeriCorps Program

Dollar threshold used to distinguish
between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee? Yes No

Rocky Mountain Youth Corps

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2025

FINANCIAL STATEMENT AUDIT FINDINGS

2025-001: Revenue Recognition – Material Weakness

Criteria and Condition: Under accounting principles generally accepted in the United States of America (GAAP), revenue must be recognized when, or as, performance obligations are satisfied for exchange transactions or when donor-imposed conditions are substantially met for contributions. Amounts received in advance of the conditions for recognition being met must be deferred.

Context: Audit inquires resulted in Management identifying one instance where contribution revenue was recognized rather than deferred for conditional contribution with donor restrictions.

Cause: Controls are not in place to ensure contribution revenue is properly recognized.

Effect: Revenue was not recognized in the correct accounting period.

Questioned Costs: This finding does not result in questioned costs.

Recommendation: Processes should be designed to evaluate the available facts and circumstances of all agreements for recording in the proper fiscal period. Controls should be implemented to verify the conclusions reached are appropriately and consistently applied.

Views of Responsible Officials and Planned Corrective Actions: The officials responsible plan on continuing to have meetings when contributions for programming services are proposed to ascertain clarification as to the purpose of these contributions to determine restrictions and parameters on how the contributions are to be spent. In addition, the officials have also come up with a written process, an end of quarter checklist to review revenue recognition and restrictions, and an automated reporting process within their grant tracking system to document the determinations of the meetings to ensure revenue recognition is properly tracked on an ongoing basis.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SECTION IV – SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

None



Finding 2025-001: Revenue Recognition - Contributions

Planned Corrective Action: The officials responsible plan on continuing to have meetings when contributions for programming services are proposed to ascertain clarification as to the purpose of these contributions to determine restrictions and parameters on how the contributions are to be spent. In addition, the officials have also come up with a written process, an end of quarter checklist to review revenue recognition and restrictions, and an automated reporting process within their grant tracking system to document the determinations of the meetings to ensure revenue recognition is properly tracked on an ongoing basis

Anticipated Completion Date: December 31, 2025

Responsible Contact Person: Rosanna Aragon