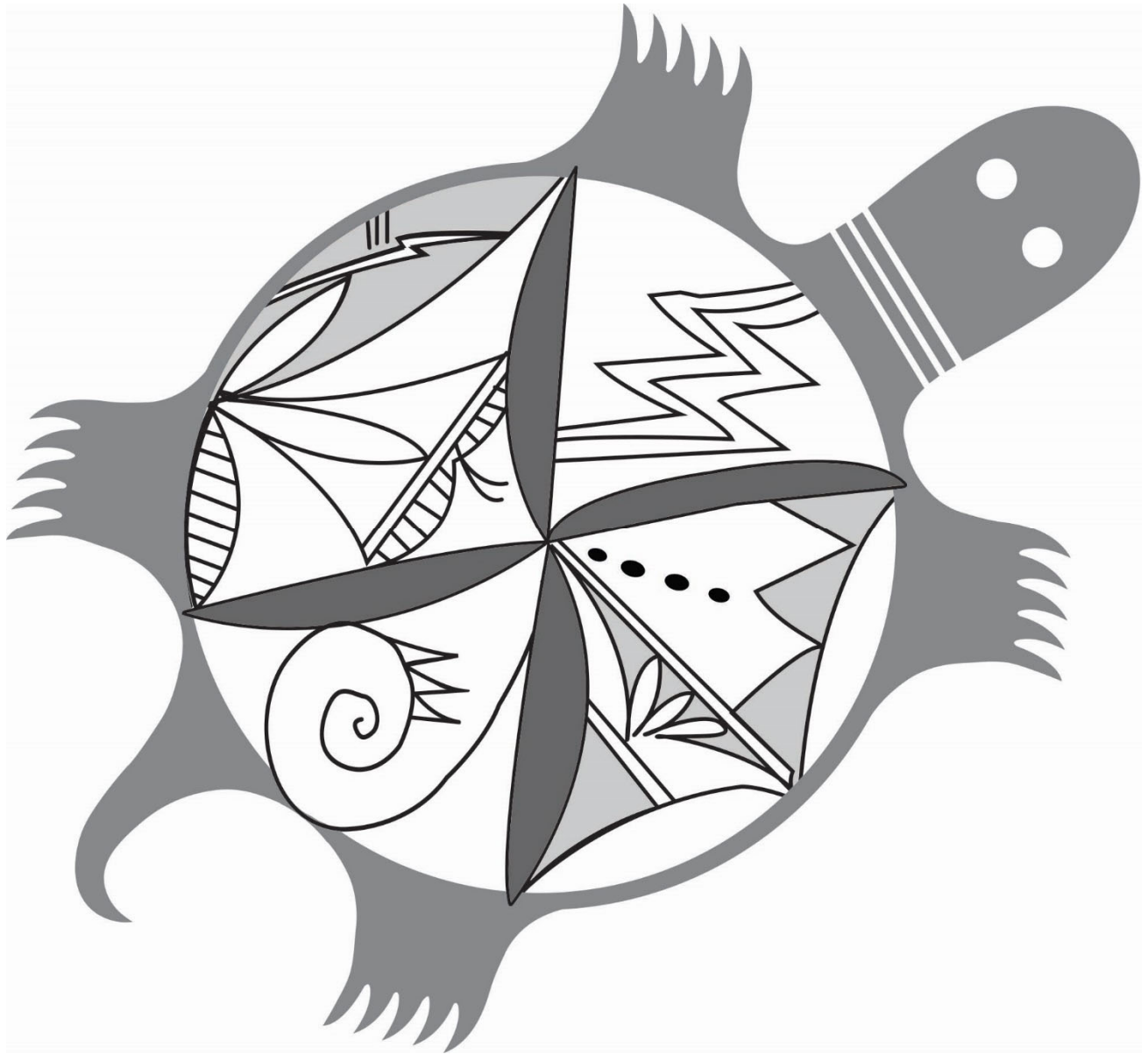


**Sexual Assault Services of Northwest New Mexico, Inc.
Financial Statements and
Independent Auditor's Report
For the Years Ended June 30, 2022 and 2021**



(This page intentionally left blank.)

INTRODUCTORY SECTION

SEXUAL ASSAULT SERVICES OF NORTHWEST NEW MEXICO, INC.

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Table of Contents	1
Official Roster	2
FINANCIAL SECTION	
Independent Auditor’s Report	3
Financial Statements	
Statements of Financial Position	5
Statements of Activities	6
Statement of Functional Expenses – Year Ended June 30, 2022	7
Statement of Functional Expenses – Year Ended June 30, 2021	8
Statements of Cash Flows	9
Notes to the Financial Statements	10
COMPLIANCE SECTION	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20
Schedule of Findings and Responses	22

SEXUAL ASSAULT SERVICES OF NORTHWEST NEW MEXICO, INC.

OFFICIAL ROSTER

JUNE 30, 2022

BOARD OF DIRECTORS

Nicole Wayne	President
Andie (Amanda) Noyes	Vice-President
GloJean Todacheene	Treasurer
Tsaa Henderson	Secretary

ADMINISTRATIVE OFFICIALS

Eleana Butler	Executive Director
Pam Valencia	Finance Director

(This page intentionally left blank.)

FINANCIAL SECTION



Manning Accounting and Consulting Services, LLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Sexual Assault Services of Northwest New Mexico, Inc.
Farmington, New Mexico

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Sexual Assault Services of Northwest New Mexico, Inc., (A New Mexico nonprofit Organization) which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 Sexual Assault Services of Northwest New Mexico, Inc. as of June 30, 2022 and 2021, 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Accounting Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sexual Assault Services of Northwest New Mexico, Inc. 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 opinions.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatements, 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 Sexual Assault Services of Northwest New Mexico, Inc.'s ability to continue as a going concern for one year beyond the financial statement date that the financial statements are available to be heard.

Auditor's 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 auditor's report that includes our opinions. 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 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 generally accepted auditing standards and *Government 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 the Sexual Assault Services of Northwest New Mexico, Inc. 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 the Sexual Assault Services of Northwest New Mexico, Inc.'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 identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section on pages 1 through 2 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2023 on our consideration of the Organization'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 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 the effectiveness of the Organization's 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 the Organization's internal control over financial reporting and compliance.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC
Kirtland, New Mexico
February 13, 2023

(This page intentionally left blank.)

FINANCIAL STATEMENTS

SEXUAL ASSAULT SERVICES OF NORTHWEST NEW MEXICO, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
<i>Current assets</i>		
Cash and cash equivalents	\$ 575,298	\$ 707,345
Contracts and grants receivable	236,955	201,570
Prepaid expenses	1,538	341
<i>Total current assets</i>	813,791	909,256
<i>Noncurrent assets</i>		
Investments	369,943	-
Equipment, net of accumulated depreciation of \$23,244 and \$18,486	16,629	14,392
<i>Total assets</i>	\$ 1,200,363	\$ 923,648
LIABILITIES AND NET ASSETS		
<i>Current liabilities</i>		
Accounts payable	\$ 2,561	\$ 9,857
Accrued expenses	52,371	40,385
Unearned revenue	104,835	24,500
Accrued compensated absences	25,031	21,187
<i>Total current liabilities</i>	184,798	95,929
<i>Net assets</i>		
Without donor restrictions		
Undesignated	998,936	813,327
Invested in property and equipment, net of related debt	16,629	14,392
<i>Total net assets</i>	1,015,565	827,719
<i>Total liabilities and net assets</i>	\$ 1,200,363	\$ 923,648

See accompanying notes to the financial statements.

SEXUAL ASSAULT SERVICES OF NORTHWEST NEW MEXICO, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Net Assets without Donor Restrictions	
	2022	2021
UNRESTRICTED SUPPORT		
<i>Support</i>		
Contracts and grants	\$ 1,347,387	\$ 1,214,673
Contributions	139,587	308,599
In-kind contributions	9,986	10,176
Fundraising	12,227	12,266
<i>Total support</i>	1,509,187	1,545,714
<i>Revenues</i>		
Unrealized gain (loss) on investments	(30,057)	-
<i>Total unrestricted support and revenues</i>	1,479,130	1,545,714
EXPENSES		
<i>Program expenses</i>		
Sexual assault nurse examiners	137,326	128,810
Advocacy and therapy	840,512	825,302
Education and outreach	124,138	131,163
<i>Total program expenses</i>	1,101,976	1,085,275
<i>Supporting services</i>		
Management and general	186,869	130,903
Fundraising	2,439	2,549
<i>Total support services</i>	189,308	133,452
<i>Total expenses</i>	1,291,284	1,218,727
Change in net assets	187,846	326,987
Net assets, beginning of year	827,719	500,732
Net assets, end of year	\$ 1,015,565	\$ 827,719

See accompanying notes to the financial statements.

SEXUAL ASSAULT SERVICES OF NORTHWEST NEW MEXICO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Program Services</u>			<u>Support Services</u>		<u>Total</u>
	<u>Sexual Assault Nurse Examiners</u>	<u>Advocacy and Therapy</u>	<u>Education and Outreach</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries	\$ 87,271	\$ 565,489	\$ 80,691	\$ 90,274	\$ -	\$ 823,725
Volunteer services	9,600	-	-	384	-	9,984
Payroll taxes	7,016	44,041	6,292	7,749	-	65,098
Advertising	751	2,338	1,835	2,073	21	7,018
Contract labor	-	-	981	-	-	981
Depreciation	1,559	-	-	3,199	-	4,758
Dues and subscriptions	2,138	3,405	140	2,342	158	8,183
Insurance	5,660	24,076	8,130	(2,093)	-	35,773
Professional fees	3,822	5,705	1,995	9,049	-	20,571
Miscellaneous	32	46,836	-	829	-	47,697
Office expense	2,419	15,973	1,466	2,907	-	22,765
Rent	3,295	45,487	2,939	57,919	-	109,640
Supplies, maintenance, & repairs	11,839	58,095	9,527	11,956	2,230	93,647
Telephone	511	10,756	1,383	271	15	12,936
Training	-	-	-	-	-	-
Travel expense	1,413	18,311	8,759	10	15	28,508
Total expenses	<u>\$ 137,326</u>	<u>\$ 840,512</u>	<u>\$ 124,138</u>	<u>\$ 186,869</u>	<u>\$ 2,439</u>	<u>\$ 1,291,284</u>

See accompanying notes to the financial statements.

SEXUAL ASSAULT SERVICES OF NORTHWEST NEW MEXICO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program Services</u>			<u>Support Services</u>		<u>Total</u>
	<u>Sexual Assault Nurse Examiners</u>	<u>Advocacy and Therapy</u>	<u>Education and Outreach</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries	\$ 89,793	\$ 540,446	\$ 65,801	\$ 87,054	\$ -	\$ 783,094
Volunteer services	9,686	392	58	40	-	10,176
Payroll taxes	7,018	42,310	5,109	6,753	-	61,190
Advertising	50	7,720	1,730	1,741	21	11,262
Contract labor	-	1,372	450	-	-	1,822
Depreciation	559	2,533	372	261	-	3,725
Dues and subscriptions	1,800	3,472	-	2,226	556	8,054
Insurance	3,568	25,108	2,736	11,503	14	42,929
Professional fees	2,134	2,734	750	8,412	-	14,030
Miscellaneous	218	58,601	-	-	-	58,819
Office expense	1,756	19,350	1,129	2,404	-	24,639
Rent	3,295	48,948	47,253	6,104	-	105,600
Supplies, maintenance, & repairs	8,696	52,342	3,795	4,405	1,958	71,196
Telephone	-	10,255	1,400	-	-	11,655
Training	-	-	-	-	-	-
Travel expense	237	9,719	580	-	-	10,536
Total expenses	<u>\$ 128,810</u>	<u>\$ 825,302</u>	<u>\$ 131,163</u>	<u>\$ 130,903</u>	<u>\$ 2,549</u>	<u>\$ 1,218,727</u>

See accompanying notes to the financial statements.

SEXUAL ASSAULT SERVICES OF NORTHWEST NEW MEXICO, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 187,846	\$ 326,987
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,758	3,725
Realized (gain) loss on sale of investments	(4,419)	-
(Increase) decrease in operating assets:		
Contracts receivable	(35,386)	18,806
Prepaid expenses	(1,196)	2,856
Increase (decrease) in operating liabilities:		
Accounts payable	(7,296)	1,771
Accrued expenses	11,986	(3,664)
Unearned revenue	80,335	-
Accrued compensated absences	3,844	(6,750)
Net cash provided (used) by operating activities	240,472	343,731
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(6,995)	(6,497)
Acquisition of investments	(365,524)	-
Net cash provided (used) by investing activities	(372,519)	(6,497)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on debt	-	(179,430)
Net cash provided (used) by financing activities	-	(179,430)
Net increase (decrease) in cash and cash equivalents	(132,047)	157,804
Cash and cash equivalents, beginning of period	707,345	549,541
Cash and cash equivalents, end of period	\$ 575,298	\$ 707,345
Supplemental disclosure cash flow information:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ORGANIZATION - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose of the Organization

Sexual Assault Services of Northwest New Mexico, Inc. (the Organization) is a 501c(3) non-profit corporation which was incorporated under the laws of the State of New Mexico in 2005. The Organization provides services to survivors of sexual assault in San Juan County, Rio Arriba County, and McKinley County in New Mexico. The Organization is comprised of a primary office in Farmington, New Mexico with a location in Gallup, New Mexico. The services provided by the Organization are funded by grants and contracts from the various Federal, state, and local sources. The Organization is controlled by a Board of Directors as identified in the accompanying roster.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting. Under the accrual method of accounting, revenues are recognized when earned rather than when received, and expenses are recognized when the related liability is incurred rather than when paid.

Basis of Presentation

The financial statements of Sexual Assault Services of Northwest New Mexico, Inc. have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require net assets, revenues, gains, and losses be classified based on the existence of absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restriction, net assets for an operating reserve or other board designated operations. All of the Organization's net assets are classified as net assets without donor restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor– (or certain grantor–) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization has no net assets classified as net assets with donor restrictions at this time.

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.

1. **ORGANIZATION - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Program Services

Sexual Assault Services of Northwest New Mexico, Inc. conducts the following programs:

Sexual Assault Nurse Examiners – The sexual assault nurse examiners program provides medical and forensic examinations to survivors of sexual assault, and other related services to victims and third parties.

Advocacy and Therapy – Advocates provide support, advocacy and intervention to sexual assault survivors and their families. This includes emotional support and information, resources and referrals, emergency funds to maintain health and safety, and support at legal proceedings. Therapists provide crisis stabilization, assessment and therapy services to reduce symptoms resulting from sexual assault and abuse, regardless of when the assault occurred. Goals are to restore a sense of safety and control, learn coping skills for anxiety and stress, and collaborate with each individual to meet their unique needs.

Education and Outreach – This program provides primary prevention programs, educational trainings, workshops and presentations in a variety of venues across the service area. Primary prevention programs include the Safe Dates curriculum for high school students and the Care for Kids program for children ages 4-8.

Cash and Cash Equivalents

Cash and cash equivalents include all monies held at financial institutions, including savings accounts and money markets. As of June 30, 2022 and 2021, cash and cash equivalent accounts were not fully insured by FDIC insurance as amounts exceed the \$250,000 limit. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk. For purposes of the Statements of Cash Flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, receivables, and liabilities will approximate fair value because of the short maturities of these instruments.

1. **ORGANIZATION - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Contracts and Grants Receivable and Contract Services

The Organization has entered into contracts and grants to provide the program services identified above. Contracts and grants receivable are amounts for which the required services have been provided by the Organization to the contracting or granting agencies, and those amounts have been billed to the relevant agencies but which had not been received by year-end.

Sexual Assault Services of Northwest New Mexico, Inc. received approximately 84% of its total revenues from contracts with Federal and state agencies in 2022 and 77% in 2021.

Allowance for Doubtful Accounts

It is the opinion of management that contracts receivable are fully collectible and that an allowance for doubtful accounts is not necessary.

Property and Equipment

Sexual Assault Services of Northwest New Mexico, Inc.'s policy is to record purchases of property and equipment at cost. Donated equipment is stated at the estimated fair market value at the time of acquisition. The Organization follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$5,000. Individual items with a cost of less than \$5,000 are expensed in the year of acquisition. Improvements are capitalized while expenditures for maintenance and repair are charged to operations when incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the Statement of Activities.

Depreciation

Depreciation of property and equipment is provided over the estimated lives of the respective assets using the straight-line method. The lives of assets are five to seven years.

Revenue Recognition

Revenues related to contracts and grants are recognized when earned based on the terms of the contract or grant. Revenues related to promises to give are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional.

Contributions

The Organization receives contributions from San Juan Regional Medical Center, United Way, and other individuals and small businesses which it uses to fund its operations. Those donations during the years ended June 30, 2022 and 2021, respectively, were as follow: San Juan Regional Medical Center \$65,748 and \$64,020; United Way \$27,311 and \$30,210, and other miscellaneous contributions \$46,528 and \$34,939.

1. **ORGANIZATION - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

In-kind Donations

The Organization received in-kind services of \$9,986 and \$10,176 for the years ended June 30, 2022 and 2021, respectively. These services are for a medical director's time and shredding services provided to the Organization.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

Sexual Assault Services of Northwest New Mexico, Inc. is exempt from Federal income taxes under the Internal Revenue Code Section 501(c)(3) and files an annual information return (Form 990) with the Internal Revenue Service and copies of Form 990 with states in which the Organization is registered, as required. Sexual Assault Services of Northwest New Mexico, Inc. has received a ruling from the Internal Revenue Service that it is not a private foundation under Section 509(a) of the Internal Revenue Code. No provision for income taxes for unrelated business income was necessary for either of the years ended June 30, 2022 and 2021. The statute of limitations for examination of the Organization's returns expires three years from the due date of the return or the date filed, whichever is later. The Organization's returns for the years ended June 30, 2019 through 2021, are still open for examination and management anticipates the statute of limitations for the return for the year ended June 30, 2022, will expire in February 2026.

Paid Time Off Accrual

It is the policy of Sexual Assault Services of Northwest New Mexico, Inc. to permit full time employees to begin to earn paid time off (PTO) from the first day of employment but may not take PTO until they have completed their probationary period. Regular full-time and part-time employees accrue PTO according to the following schedule:

Years of Service:	Accrual Rate for Annual PTO Time:
0-3	1/5 (.2) of regular workweek per month
4-10	1/4 (.25) of regular workweek per month
11-15	1/3 (.33) of regular workweek per month
16-20	1/2 (.4) of regular workweek per month

Upon termination of employment, only employees who have worked for Sexual Assault Services of Northwest New Mexico, Inc., who provided a minimum of a two week (10 working days) written notice will be eligible to receive payment for up to 80 hours of accrued vacation time. A liability of \$25,031 at June 30, 2022 and \$21,187 at June 30, 2021 has been accrued to represent the Organization's commitment to fund such costs. Sick pay does not vest to employees upon separation.

1. **ORGANIZATION - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
(Continued)

Use of 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 amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant estimates include the useful lives of property and equipment, determinations of current and non-current portions of accrued leave, and allowances for doubtful accounts. Accordingly, actual results could differ from those estimates.

Reclassification of Financial Statements

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation.

Recent Pronouncements

Recent pronouncements that will have a future effect on the Organization follow:

Accounting Standards Update 2020-07—*Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Subtopic 958-605, *Not-for-Profit Entities—Revenue Recognition*, specifies requirements for the recognition and initial measurement of contributions and disclosure requirements for contributed services. Subtopic 958-605 does not include specific presentation requirements for contributed nonfinancial assets or specific disclosure requirements for contributed nonfinancial assets other than contributed services. The amendments in this Update should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022.

2. AVAILABILITY AND LIQUIDITY

Cash and cash equivalents consist of the following as of June 30, 2022 and 2021:

	Balance <u>June 30, 2022</u>	Balance <u>June 30, 2021</u>
Financial assets at year-end:		
Bank deposits and cash equivalents	\$ 575,298	\$ 707,345
Contracts and grants receivable	<u>236,955</u>	<u>201,569</u>
Total financial assets	812,253	908,914
Less amounts not available to be used within one year:		
Net assets with donor restrictions	-	-
Less net assets with purpose restrictions to be met in less than a year	-	-
Restrictions established by the board	<u>-</u>	<u>-</u>
Total restrictions	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 812,253</u>	<u>\$ 908,914</u>

The Organization's goal is generally to maintain, in liquid financial assets, enough to fund approximately three months of expenses.

3. CONTRACTS AND GRANTS RECEIVABLE

The details of contracts receivable at June 30, 2022 and 2021 are presented below:

Payee	Balance <u>June 30, 2022</u>	Balance <u>June 30, 2021</u>
New Mexico Coalition of Sexual Abuse Programs	\$ 76,117	\$ 87,506
Office of Justice Programs	32,890	29,389
State of NM Crime Victims Reparation Commission	39,228	57,316
State of New Mexico Department of Health	18,340	10,155
State of New Mexico Children, Youth and Families	8,000	8,080
Indian Health Services	31,662	4,293
City of Farmington	3,414	4,831
Northern Navajo Medical Center	17,500	-
Other	<u>9,804</u>	<u>-</u>
Totals	<u>\$ 236,955</u>	<u>\$ 201,570</u>

All receivable amounts were collected subsequent to year-end.

4. **INVESTMENTS**

The Organization has placed investments with a bank trust department to invest funds in various marketable securities. All investments have a readily determinable market value, and are stated at market value in the financial statements. The market value is based on an observable active market in which quoted prices can be accessed for identical securities on the Statement of Financial Position date. The Organization's intention is to hold all investments longer than one year for appreciation in value. A summary of the investments as of June 30, 2022 is as follows (the investment account did not start until FY2022):

	<u>Cost</u>	<u>Unrealized Gain</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>
June 30, 2022				
Money Market Funds	\$ 8,419	\$ -	\$ 39	\$ 8,380
Equity Mutual Funds	262,878	-	26,608	236,270
Fixed Income Mutual Funds	<u>133,482</u>	<u>-</u>	<u>8,189</u>	<u>125,293</u>
Total Restricted	<u>\$ 404,779</u>	<u>\$ -</u>	<u>\$ 34,836</u>	<u>\$ 369,943</u>

Investment income (loss) on these funds for the years ended June 30, 2022, were as follows:

	<u>Balance June 30, 2022</u>
Interest and dividends	\$ 1,757
Realized gain (loss)	4,419
Unrealized gain (loss)	(35,704)
Investment fee expense	<u>(529)</u>
Net investment return	<u>\$ (30,057)</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2022 and 2021:

	Balance			Balance
Capital assets used in governmental activities:	June 30, 2021	Additions	Deletions	June 30, 2022
Capital assets being depreciated:				
Furniture, fixtures, and equipment	\$ 32,879	\$ 6,995	\$ -	\$ 39,874
Total capital assets being depreciated	<u>32,879</u>	<u>6,995</u>	<u>-</u>	<u>39,874</u>
Less accumulated depreciation:				
Furniture, fixtures, and equipment	18,486	4,758	-	23,244
Total accumulated depreciation	<u>18,486</u>	<u>4,758</u>	<u>-</u>	<u>23,244</u>
Total capital assets, net of depreciation	<u>\$ 14,392</u>	<u>\$ 2,237</u>	<u>\$ -</u>	<u>\$ 16,629</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$4,758 and \$3,725, respectively.

6. CONCENTRATION OF CREDIT RISK

Sexual Assault Services of Northwest New Mexico, Inc. maintains its cash in two financial institutions in Farmington, NM. The Federal Deposit Insurance Corporation (FDIC) insures deposits up to \$250,000. The cash balances, at times, may exceed Federal insured limits. At June 30, 2022 and 2021, the Organization had \$438,074 and \$481,781, respectively, which were uninsured.

The ability to collect receivables resulting from services provided and unconditional promises to give resulting from fund raising efforts is affected by general economic conditions in the State of New Mexico. Concentrations of credit risk with respect to receivables results from funding agencies accepting or rejecting claims for services provided. Contracts with Federal and state agencies account for approximately ninety percent of its total revenues. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

7. CONTINGENCIES

The Organization receives financial assistance from Federal and state sources in the form of grants and contracts. The disbursements of the funds received are generally limited to specific compliance requirements as specified in the grant agreement or contract. The Federal and state agencies reserve the right to review the scope of the audit and conduct a follow-up review if deemed necessary. Any disallowed claims resulting from such audits could become a liability of Sexual Assault Services of Northwest New Mexico, Inc.. The amount, if any, of revenues or expenses which may be disallowed by the contracting agency cannot be determined at this time, although Sexual Assault Services of Northwest New Mexico, Inc. expects such amounts, if any, to be insignificant.

8. OPERATING LEASE

On February 5, 2019, the Organization entered into a lease agreement with San Juan Professional Associates for the occupancy of the office and clinical facilities used in their program. On March 1, 2021, the lease was amended because of COVID 19 revenue issues. The amended lease agreement began March 1, 2021 and continues through February 28, 2025. The cost of the lease was \$8,000.00 through November 30, 2021 and then was increased to \$8,577.18 per month through December 31, 2022 and then was increased to \$9,155.42 per month and will remain at that cost through February 28, 2025.

The Organization also has entered into a month-to-month rental agreement for its Gallup office. The rental agreement was initially signed in September 2016, and the monthly rental amount of \$800 has been in effect since that day. If the Organization maintains its Gallup office through the next year, the rental cost will be \$9,600 for the year.

Future lease payments related to the Farmington lease are as follow:

Fiscal Year Ending	
<u>June 30,</u>	<u>Farmington</u>
2023	\$ 106,396
2024	109,865
2025	<u>73,243</u>
	<u>\$ 289,504</u>

The Organization received support from San Juan Regional Medical Center in the amount of \$65,748 and \$64,020 for the years ended June 30, 2022 and 2021, respectively, which the Organization uses to help offset these lease costs.

9. UNEARNED REVENUE

The Organization has received two grants and a rent offset totaling \$104,835 at June 30, 2022 which it has not yet expended because of interruptions of services caused by the COVID pandemic for one grant, \$22,000 from DVPI Crownpoint, and another grant which the Organization may use to offset administrative costs did not need to be used in the current year, \$77,500 from the Yates Foundation. Additionally, \$5,335 was received from San Juan Regional for the July rent offset, but it came in on June 30, 2022. At June 30, 2021, the \$22,000 from DVPI Crownpoint and \$2,500 from the Yates Foundation had not been expended.

9. FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides a framework for measuring fair value for assets and liabilities subject to fair value measurement. The 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

9. FAIR VALUE MEASUREMENTS (Continued)

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 specific (contractual) term, the level 2 input must be observable 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 asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used during the current year. Equity investments: Valued at the net asset value (NAV) of shares held by the Organization at year-end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. Fair values of assets and liabilities measured on a recurring basis at June 30, 2022 are as follows (the investment account did not start until FY2022):

<u>June 30, 2022</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market Funds	\$ 8,380	\$ 8,380	\$ -	\$ -
Equity Mutual Funds	236,270	236,270	-	-
Fixed Income Mutual Funds	125,293	125,293	-	-
Total invested	<u>\$ 369,943</u>	<u>\$ 369,943</u>	<u>\$ -</u>	<u>\$ -</u>

10. EVALUATION OF SUBSEQUENT EVENTS

Sexual Assault Services of Northwest New Mexico, Inc. has evaluated subsequent events through February 13, 2023, the date which the financial statements were available to be issued. The organization has determined that no such incidents exist.

(This page intentionally left blank.)

COMPLIANCE SECTION



Manning Accounting and Consulting Services, LLC

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

To the Board of Directors of
Sexual Assault Services of Northwest New Mexico, Inc.
Farmington, New Mexico

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, the financial statements of Sexual Assault Services of Northwest New Mexico, Inc. (a New Mexico nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 13, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 the entity'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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 financial statements. 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*.

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 the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC
Kirtland, New Mexico
February 13, 2023

**SEXUAL ASSAULT SERVICES OF NORTHWEST NEW MEXICO, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022**

Section I – Summary of Audit Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditor’s report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to financial statements noted? | None noted |

**SEXUAL ASSAULT SERVICES OF NORTHWEST NEW MEXICO, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

None identified

**SEXUAL ASSAULT SERVICES OF NORTHWEST NEW MEXICO, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022**

Section III – Prior Year Audit Findings

Financial Section Findings

None identified