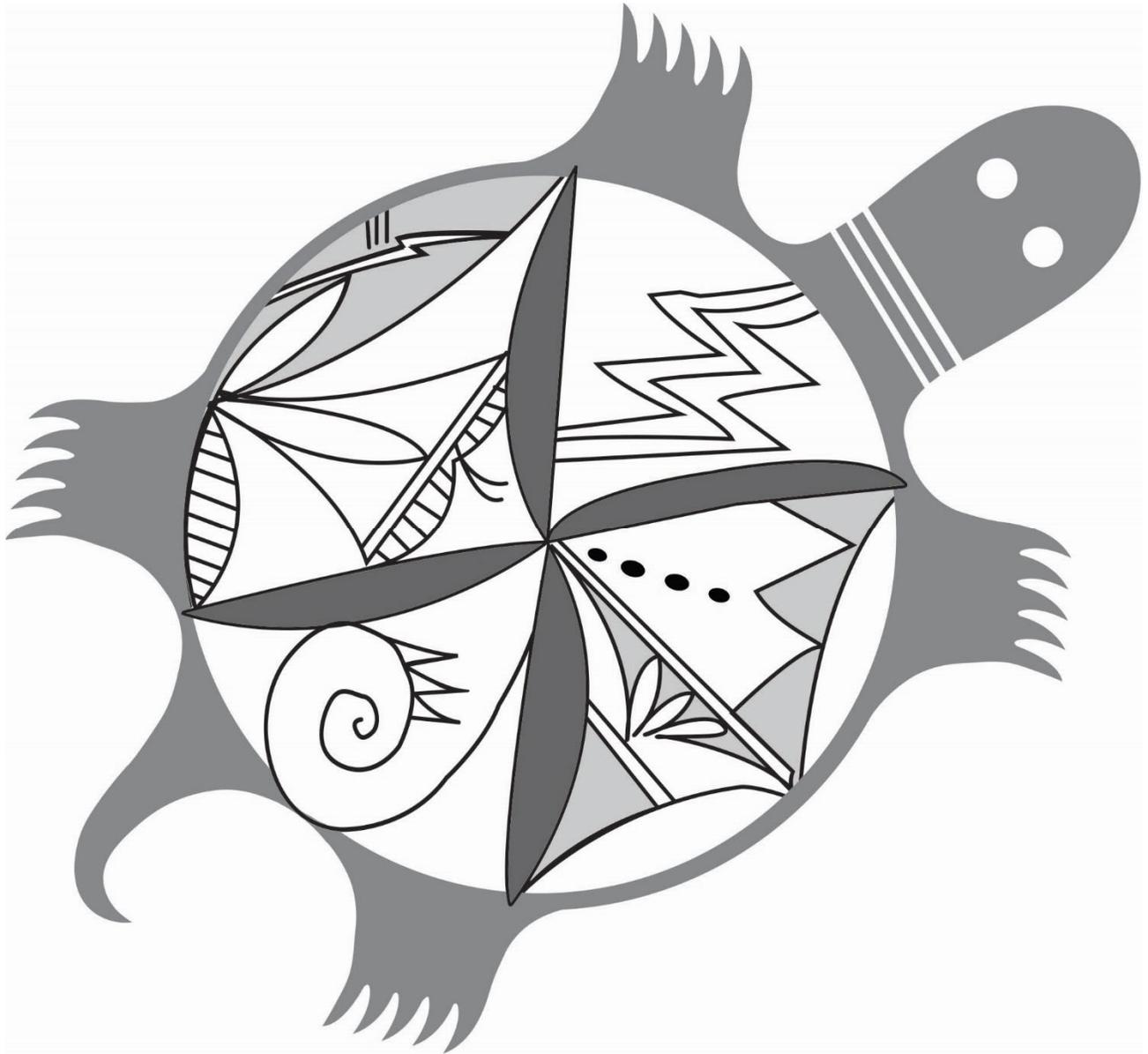


**Sexual Assault Services of Northwest New Mexico, Inc.  
Financial Statements and  
Independent Auditor's Report  
For the Years Ended June 30, 2023 and 2022**



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## **INTRODUCTORY SECTION**

**SEXUAL ASSAULT SERVICES OF NORTHWEST NEW MEXICO, INC.**

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**SEXUAL ASSAULT SERVICES OF NORTHWEST NEW MEXICO, INC.**

**OFFICIAL ROSTER**

**JUNE 30, 2023**

**BOARD OF DIRECTORS**

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

**ADMINISTRATIVE OFFICIALS**

Eleana Butler	Executive Director
Pam Valencia	Finance Director

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## **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, 2023 and 2022, 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, 2023 and 2022, 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 January 8, 2024 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  
January 8, 2024

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## **FINANCIAL STATEMENTS**

**SEXUAL ASSAULT SERVICES OF NORTHWEST NEW MEXICO, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
<i>Current assets</i>		
Cash and cash equivalents	\$ 805,717	\$ 575,298
Contracts and grants receivable	248,999	236,955
Prepaid expenses	-	1,538
<i>Total current assets</i>	1,054,716	813,791
<i>Noncurrent assets</i>		
Investments	404,240	369,943
Right-of-use - building, net	176,853	277,451
Equipment, net of accumulated depreciation of \$28,876 and \$23,244	10,997	16,629
<i>Total assets</i>	\$ 1,646,806	\$ 1,477,814
<b>LIABILITIES AND NET ASSETS</b>		
<i>Current liabilities</i>		
Accounts payable	\$ 14,509	\$ 2,561
Accrued expenses	26,659	52,371
Unearned revenue	27,500	104,835
Accrued compensated absences	28,068	25,031
Operating lease liability	104,696	100,598
<i>Total current liabilities</i>	201,432	285,396
<i>Noncurrent liabilities</i>		
Operating lease liability	72,157	176,853
<i>Total liabilities</i>	273,589	462,249
<i>Net assets</i>		
Without donor restrictions		
Undesignated	1,362,220	998,936
Invested in property and equipment, net of related debt	10,997	16,629
<i>Total net assets</i>	1,373,217	1,015,565
<i>Total liabilities and net assets</i>	\$ 1,646,806	\$ 1,477,814

See accompanying notes to the financial statements.

**SEXUAL ASSAULT SERVICES OF NORTHWEST NEW MEXICO, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	Net Assets without Donor Restrictions	
	2023	2022
<b>UNRESTRICTED SUPPORT</b>		
<i>Support</i>		
Contracts and grants	\$ 1,640,690	\$ 1,347,387
Contributions	146,691	139,587
In-kind contributions	9,600	9,986
Fundraising	17,223	12,227
<i>Total support</i>	1,814,204	1,509,187
<i>Revenues</i>		
Interest on demand deposits	57	-
Net investment return	34,297	(30,057)
<i>Total revenues</i>	34,354	(30,057)
<i>Total unrestricted support and revenues</i>	1,848,558	1,479,130
<b>EXPENSES</b>		
<i>Program expenses</i>		
Sexual assault nurse examiners	143,197	137,326
Advocacy and therapy	1,017,702	840,512
Education and outreach	104,230	124,138
<i>Total program expenses</i>	1,265,129	1,101,976
<i>Supporting services</i>		
Management and general	222,064	186,869
Fundraising	3,713	2,439
<i>Total support services</i>	225,777	189,308
<i>Total expenses</i>	1,490,906	1,291,284
<b>Change in net assets</b>	357,652	187,846
<b>Net assets, beginning of year</b>	1,015,565	827,719
<b>Net assets, end of year</b>	\$ 1,373,217	\$ 1,015,565

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, 2023**

	<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	\$ 76,801	\$ 659,488	\$ 61,961	\$ 103,233	\$ -	\$ 901,483
Volunteer services	9,600	-	-	-	-	9,600
Payroll taxes	6,070	53,857	4,905	8,929	-	73,761
Advertising	361	2,583	5,304	2,514	-	10,762
Contract labor		5,565		3,000		8,565
Depreciation	2,698			2,934		5,632
Dues and subscriptions	1,021	10,284	1,700	5,470	50	18,525
Insurance	6,223	28,137	4,962	7,246		46,568
Professional fees	815	25,720	1,000	6,270		33,805
Miscellaneous	-	44,697		5,282	-	49,979
Office expense	5,515	10,672	3,257	2,855	-	22,299
Rent	12,084	53,458	2,688	48,344		116,574
Supplies, maintenance, & repairs	18,141	79,498	5,528	24,929	3,610	131,706
Telephone	1,086	9,917	885	712	53	12,653
Travel and training expense	2,782	33,826	12,040	346	-	48,994
Total expenses	<u>\$ 143,197</u>	<u>\$ 1,017,702</u>	<u>\$ 104,230</u>	<u>\$ 222,064</u>	<u>\$ 3,713</u>	<u>\$ 1,490,906</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, 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
Travel and training 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.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 357,652	\$ 187,846
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,632	4,758
Realized (gain) loss on sale of investments	(19,864)	(5,646)
(Increase) decrease in operating assets:		
Contracts receivable	(12,043)	(35,386)
Prepaid expenses	1,537	(1,196)
Increase (decrease) in operating liabilities:		
Accounts payable	11,948	(7,296)
Accrued expenses	(25,712)	11,986
Unearned revenue	(77,335)	80,335
Accrued compensated absences	3,037	3,844
Net cash provided (used) by operating activities	244,852	239,245
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	-	(6,995)
Acquisition of investments	(14,433)	(364,297)
Net cash provided (used) by investing activities	(14,433)	(371,292)
<b>Net increase (decrease) in cash and cash equivalents</b>	230,419	(132,047)
<b>Cash and cash equivalents, beginning of period</b>	575,298	707,345
<b>Cash and cash equivalents, end of period</b>	\$ 805,717	\$ 575,298
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

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### 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, 2023 and 2022, 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 2023 and 77% in 2022.

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.

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* and ASU 2014-09 *Revenue from Contracts with Customers (Topic 606)* as management believes the standard improves the usefulness and understandability of the Center's financial reporting.

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

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, 2023 and 2022, respectively, are as follow: San Juan Regional Medical Center \$67,860 and \$65,748; United Way \$33,106 and \$27,311, and other miscellaneous contributions \$45,725 and \$46,528.

In-kind Donations

The Organization received in-kind services of \$9,600 and \$9,986 for the years ended June 30, 2023 and 2022, 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, 2023 and 2022. 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, 2020 through 2022, are still open for examination and management anticipates the statute of limitations for the return for the year ended June 30, 2023, will expire in February 2027.

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 (.5) of regular workweek per month

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

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 \$28,068 at June 30, 2023 and \$25,031 at June 30, 2022 has been accrued to represent the Organization's commitment to fund such costs. Sick pay does not vest to employees upon separation.

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.

Recent Pronouncements

The Organization has adopted Accounting Standards Update ASU 2016-02 *Leases (Topic 842)*, ASU 2020-07 *Presentation and Disclosures by Not-for-Profit Entities (Topic 958)*, and ASU 2021-009 *Leases (Topic (842): Discount Rate for Lessees that Are Not Public Business Entities*. These pronouncements have application to the Organization. Other pronouncements have also become effective in the current year, but none of them have had practical effects on the Organization.

FASB has issued ASU 2016-02 *Leases (Topic 842)*. The amendments in this update were issued to increase the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The main difference between previous GAAP and Topic 842 is the recognition of lease assets and lease liabilities for those leases classified as operating leases under previous GAAP.

FASB has issued ASU 2020-07 *Presentation and Disclosures by Not-for-Profit Entities (Topic 958)*. The purpose of the ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the NFP. It is important to note that the ASU 2020-07 will not change the accounting and recognition of nonfinancial assets but rather the presentation and disclosure requirements in the financial statements.

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

Recent Pronouncements (Continued)

FASB has issued ASU 2021-09 *Leases (Topic 842): Discount Rate for Lessees that Are Not Public Business Entities*. The amendments in this update were issued to provide more flexibility for entities to make the risk-free rate election by class of underlying asset rather than at the entity-wide level. An entity that makes the risk-free rate election is required to disclose which asset classes it has elected to apply a risk-free rate. The amendments require that when the rate implicit in the lease is readily determinable for any individual lease, the lessee use that rate (rather than a risk-free rate or an incremental borrowing rate), regardless of whether it has made the risk-free rate election.

Reclassification of Financial Statements

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation.

2. **AVAILABILITY AND LIQUIDITY**

Cash and cash equivalents consist of the following as of June 30, 2023 and 2022:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Balance</u> <u>June 30, 2022</u>
Financial assets at year-end:		
Bank deposits and cash equivalents	\$ 805,717	\$ 575,298
Contracts and grants receivable	248,999	236,955
Total financial assets	<u>1,054,716</u>	<u>812,253</u>
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	-	-
Total restrictions	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,054,716</u>	<u>\$ 812,253</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, 2023 and 2022 are presented below:

Payee	Balance	Balance
	<u>June 30, 2023</u>	<u>June 30, 2022</u>
New Mexico Coalition of Sexual Abuse Programs	\$ 95,281	\$ 76,117
Office of Justice Programs	29,698	32,890
State of NM Crime Victims Reparation Commission	49,847	39,228
State of New Mexico Department of Health	61,547	18,340
State of New Mexico Children, Youth and Families	-	8,000
Indian Health Services	-	31,662
City of Farmington	6,688	3,414
Northern Navajo Medical Center	-	17,500
Other	5,938	9,804
Totals	<u>\$ 248,999</u>	<u>\$ 236,955</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, 2023 and June 30, 2022 is as follows:

	<u>Cost</u>	<u>Unrealized Gain</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>
June 30, 2023				
Money Market Funds	\$ 13,692	\$ -	\$ -	\$ 13,692
Equity Mutual Funds	226,558	996	-	227,554
Fixed Income Mutual Funds	<u>175,424</u>	<u>-</u>	<u>12,430</u>	<u>162,994</u>
Total Restricted	<u>\$ 415,674</u>	<u>\$ 996</u>	<u>\$ 12,430</u>	<u>\$ 404,240</u>
	<u>Cost</u>	<u>Unrealized Gain</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>
June 30, 2022				
Money Market Funds	\$ 8,380	\$ -	\$ -	\$ 8,380
Equity Mutual Funds	262,894	-	26,624	236,270
Fixed Income Mutual Funds	<u>134,372</u>	<u>-</u>	<u>9,079</u>	<u>125,293</u>
Total Restricted	<u>\$ 405,646</u>	<u>\$ -</u>	<u>\$ 35,703</u>	<u>\$ 369,943</u>

Investment income (loss) on these funds for the years ended June 30, 2023 and June 30, 2022, were as follows:

	<u>Balance June 30, 2023</u>	<u>Balance June 30, 2022</u>
Interest and dividends	\$ 18,255	\$ 1,757
Realized gain (loss)	6,668	4,419
Unrealized gain (loss)	14,433	(35,703)
Investment fee expense	<u>(5,059)</u>	<u>(530)</u>
Net investment return	<u>\$ 34,297</u>	<u>\$ (30,057)</u>

**5. PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at June 30, 2023 and 2022:

	Balance			Balance
Capital assets used in governmental activities:	June 30, 2022	Additions	Deletions	June 30, 2023
Capital assets being depreciated:				
Furniture, fixtures, and equipment	\$ 39,874	\$ -	\$ -	\$ 39,874
Total capital assets being depreciated	<u>39,874</u>	<u>-</u>	<u>-</u>	<u>39,874</u>
Less accumulated depreciation:				
Furniture, fixtures, and equipment	23,244	5,632	-	28,876
Total accumulated depreciation	<u>23,244</u>	<u>5,632</u>	<u>-</u>	<u>28,876</u>
Total capital assets, net of depreciation	<u>\$ 16,629</u>	<u>\$ (5,632)</u>	<u>\$ -</u>	<u>\$ 10,997</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$5,632 and \$4,758, 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, 2023 and 2022, the Organization had \$463,465 and \$74,462, 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 LEASES

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.

A summary of the right-of-use assets and changes occurring during the years ended June 30, 2023 and June 30, 2022 are as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Right-of-use asset				
Building	\$ 371,917	\$ -	\$ -	\$ 371,917
Total right-of-use asset	371,917	-	-	371,917
Less accumulated amortization for:				
Building	94,466	100,598	-	195,064
Total accumulated amortization	94,466	100,598	-	195,064
Right-of-use assets, net	<u>\$ 277,451</u>	<u>\$ (100,598)</u>	<u>\$ -</u>	<u>\$ 176,853</u>

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Right-of-use asset				
Building	\$ 371,917	\$ -	\$ -	\$ 371,917
Total right-of-use asset	371,917	-	-	371,917
Less accumulated amortization for:				
Building	-	94,466	-	94,466
Total accumulated amortization	-	94,466	-	94,466
Right-of-use assets, net	<u>\$ 371,917</u>	<u>\$ (94,466)</u>	<u>\$ -</u>	<u>\$ 277,451</u>

During the years ended June 30, 2023 and June 30, 2022, the following changes occurred in the operating lease liability related to the right-of-use assets:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023	Due Within One Year
Lease obligations	\$ 277,451	\$ -	\$ 100,598	\$ 176,853	\$ 104,696
Total	<u>\$ 277,451</u>	<u>\$ -</u>	<u>\$ 100,598</u>	<u>\$ 176,853</u>	<u>\$ 104,696</u>

**8. OPERATING LEASES (Continued)**

	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022	Due Within One Year
Lease obligations	\$ 371,917	\$ -	\$ 94,466	\$ 277,451	\$ 100,598
Total	<u>\$ 371,917</u>	<u>\$ -</u>	<u>\$ 94,466</u>	<u>\$ 277,451</u>	<u>\$ 100,598</u>

The annual requirements to amortize the lease as of June 30, 2023 are as follows:

Operating Lease Obligations	
Fiscal Year Ending June 30,	Principal
2024	\$ 104,696
2025	72,157
Totals	<u>\$ 176,853</u>

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.

The Organization received support from San Juan Regional Medical Organization in the amount of \$67,860 and \$65,748 for the years ended June 30, 2023 and 2022, respectively, which the Organization uses to help offset these lease costs.

**9. UNEARNED REVENUE**

The Organization had received one grant from the Yates Foundation, which it may use to offset administrative costs when needed, had a remaining unused balance of \$27,500 at June 30, 2023. At June 30, 2022, because of interruptions of services caused by the COVID pandemic, one grant of \$22,000 from DVPI Crownpoint had not been expended; and the grant from the Yates Foundation had a balance of \$77,500. Additionally, \$5,335 was received from San Juan Regional for the July 2022 rent offset, but it came in on June 30, 2022. These items created a balance of \$104,835.

## 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:

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, 2023 and June 30, 2022 are as follows:

**9. FAIR VALUE MEASUREMENTS (Continued)**

<u>June 30, 2023</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market Funds	\$ 13,692	\$ 13,692	\$ -	\$ -
Equity Mutual Funds	227,554	227,554	-	-
Fixed Income Mutual Funds	<u>162,994</u>	<u>162,994</u>	<u>-</u>	<u>-</u>
Total invested	<u>\$ 404,240</u>	<u>\$ 404,240</u>	<u>\$ -</u>	<u>\$ -</u>

<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	<u>125,293</u>	<u>125,293</u>	<u>-</u>	<u>-</u>
Total invested	<u>\$ 369,943</u>	<u>\$ 369,943</u>	<u>\$ -</u>	<u>\$ -</u>

**10. SUBSEQUENT ACCOUNTING STANDARDS PRONOUNCEMENTS**

ASU Update 2023-09 *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* - The amendments in this Update address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information.

This Update also includes certain other amendments to improve the effectiveness of income tax disclosures. The amendments in this Update apply to all entities that are subject to Topic 740, Income Taxes. For public business entities, the amendments in this Update are effective for annual periods beginning after December 15, 2024. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2025.

**11. EVALUATION OF SUBSEQUENT EVENTS**

Sexual Assault Services of Northwest New Mexico, Inc. has evaluated subsequent events through January 8, 2024, the date which the financial statements were available to be issued. The organization has determined that no such incidents exist.

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**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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 8, 2024.

### **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  
January 8, 2024

**SEXUAL ASSAULT SERVICES OF NORTHWEST NEW MEXICO, INC.  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2023**

**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, 2023**

**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, 2023**

**Section III – Prior Year Audit Findings**

**Financial Section Findings**

None identified