



GROWING UP NEW MEXICO

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2022
With Comparative Totals for 2021**

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GROWING UP NEW MEXICO
For the Year Ended June 30, 2022, With Comparative Totals for 2021

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GROWING UP NEW MEXICO

OFFICIAL ROSTER

As of June 30, 2022

Board of Directors

Barbara Rand	Chair
Brian Lewis	Treasurer
Lynda Sandler Gavioli	Secretary
Alicia Bertram	Member
William E. Garcia	Member
Bud Hamilton	Member
Susie Harburg	Member
Anne W. Honstein	Member
Carol Johnson	Member
Nancy King	Member
Dr. Michael Patterson	Member
Kelly Pope	Member
Stacy Quinn	Member
Trudy Swint	Member

Administrative Personnel

Katherine Freeman	President & CEO
Marisol Baird	Chief of Staff
Abby Bordner	VP of Resource Development
Maia Cortisoz	VP of Strategy & Grants Management
Pattie Ravenheart	Controller
Anthony Legits	Director of Human Resources

GROWING UP NEW MEXICO
MANAGEMENT REVIEW OF OPERATIONS
As of June 30, 2022

Growing Up New Mexico: The Early Childhood Partnership is exclusively focused on early childhood education and care, designs and provides multi-generational family support and opportunity building programs for families with young children, while influencing statewide policy that prioritizes children, prenatal through age five, and the adults in their lives.

Financial Condition

Growing Up New Mexico, Inc. finished fiscal year 2022 with a decrease in net assets of \$676,590. Growing Up New Mexico's cash balance was \$841,437. We expect \$84,643 in pledges from the 2022 campaign to be paid during fiscal year 2023. Our liabilities total \$799,426, consisting of a note payable for building upgrades in the amount of \$117,133 and \$682,293 of payables, accrued expenses and other liabilities. Our net assets are \$4,677,332 of which \$280,961 are capital campaign funds to complete the upgrades for the Early Learning Center at Kaune, which began operations in August 2018.

Results of Operations

For Growing Up New Mexico, Inc., the COVID-19 pandemic continued to present challenges and opportunities for our resilient and vision-focused management team, staff and Board of Directors. The increased awareness of the shortage of high-quality child care nationally, as well as locally, provided new federal and state funding opportunities that we embraced. In addition, we have also been supported with continued and new funding from private donors like the Brindle Foundation, the Frost Foundation, the Anderson Family Foundation, the Thornburg Foundation, the Delle Foundation, the Pritzker Family Foundation, and the W.K. Kellogg Foundation. Therefore, sustained and new grant revenue, in combination with giving through our annual campaign, has enabled Growing Up New Mexico's Early Learning Programs to continue its momentum.

GROWING UP NEW MEXICO
MANAGEMENT REVIEW OF OPERATIONS
As of June 30, 2022

Our Mission

The mission of Growing Up New Mexico is to engage the whole community, bringing together people and resources to create increased opportunities for young children and the adults in their lives to achieve their dreams and aspirations. Growing Up New Mexico's Early Learning Programs are our vehicle for achieving that mission and as such represents our overall strategy. Listed here are the components of that strategy:

- **Home Visiting** – First Born® home visiting serves families with children prenatal to three years old in Santa Fe and Rio Arriba Counties. The Great Start Family Support home visiting program provides any family experiencing a birth in Santa Fe County with three home visits within the first 30 postpartum days, if requested.
- **Family, Friends, & Neighbors** - The Family, Friends & Neighbors Program supports community members providing informal child care in their homes with home visits and group activities to improve the quality of their care.
- **Parent Support** - Growing Up New Mexico offers a series of workshops and support for parenting across the age spectrum.
- **Early Learning Programs** – High-quality child care, Pre-K classes, and Parent Support Program for 3- and 4-year-olds.
- **The Dolly Parton Imagination Library** – Funded by Santa Fe County, Growing Up New Mexico administers the Dolly Parton Imagination Library, an early literacy program that sends each enrolled child an age-appropriate book every month, from birth to age five. Growing Up New Mexico utilizes additional funding sources for Spanish language versions of these books.
- **Bridges to Opportunity** - In Partnership with Christus St. Vincent Regional Medical Center, Anchorum St. Vincent, the City of Santa Fe, and Santa Fe County, Bridges to Opportunity provides short- and long- term support with one-on-one coaching for families with young children prenatal to five. Our coaches address immediate needs like emergency aid, food, transportation, housing and utility insecurity, childcare, and mental health services. Once these issues have been

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MANAGEMENT REVIEW OF OPERATIONS
As of June 30, 2022

identified and addressed, a family can elect to receive multi-generational or “whole family” coaching to aid in setting and reaching self-identified goals in one or more of the following areas: social capital, early childhood education, post-secondary and employment pathways, economic assets, health and well-being.

- **Early Childhood Policy and Advocacy** – Growing Up New Mexico is working on big, structural change to improve the lives of kids and families throughout New Mexico. We listen to the voices in our communities – policy makers and parents who share their aspirations and trust us to put them into action. This work involves identifying viable sources and strategies for increased public funding and then creating and supporting the necessary legislation and public policy to secure these funds in perpetuity. Not only are we educating and caring for young children, but we’re also working to increase wages for professionals in a system that has historically undervalued and underpaid women, especially women of color. We’re working on making big strides toward improving child and family well-being and manifesting our shared goal of giving New Mexico’s children and their families the opportunities they need to succeed. Thriving working families are a cornerstone for strong economic development and growth in every community.

- **Volunteer Opportunities** – Our volunteer community is committed to our mission. Due to the coronavirus pandemic, it has been necessary for Growing Up New Mexico to discontinue volunteer services directly with children and families. Volunteers have provided a much needed helping hand with administrative tasks, providing our staff with the support they need to deliver high quality programs for young children and their families.

- **Community Engagement** – Our work centers on brokering smart, actionable initiatives and legislation while building trust and promoting equity through broad stakeholder engagement. We engage families, early childhood professionals, child care providers, researchers, government officials, and members of the community who are committed to improving the lives of the youngest New Mexicans. Either in large coalitions, community conversations, focus groups, key interviews or surveys, we listen deeply to diverse stakeholders

GROWING UP NEW MEXICO
MANAGEMENT REVIEW OF OPERATIONS
As of June 30, 2022

to foster collaboration and build on the strengths of New Mexico's unique communities.

We also directly support the development of family leaders through a statewide Family Leadership Council. This inspiring group of parents and grandparents are paid a professional wage to set goals, build skills and advocate for change.

Within Growing Up New Mexico's Early Learning Programs there are five ways to partner with other community organizations:

1. Contracting for services with other organizations
2. Orchestrate collaborations that have two goals:
 - Leverage existing resources
 - Position collaboration to seek funding sources
3. Referral relationships
4. Program partnership
5. Mobilization of community around education
6. Advocacy for Policy Issues

The Board of Directors has determined that Growing Up New Mexico resources will support our Early Learning Programs and community engagement initiatives.

Growing Up New Mexico Philosophy

The mission of Growing Up New Mexico is to engage the whole community, bringing together people and resources to create increased opportunities for young children and the adults in their lives to achieve their dreams and aspirations. We achieve this mission through our Early Learning Programs. Our programs are an array of innovative child and family development initiatives that seeks to strengthen families, and the whole community, through a sequential pipeline of early intervention, education, and development opportunities.

The concept is really rather simple: if being born and raised in poverty imposes unfair conditions that decrease the likelihood of children's success compared to children born and raised in greater affluence, social justice requires the provision of supports to alleviate that disadvantage. The most just condition would be the provision of supports

GROWING UP NEW MEXICO
MANAGEMENT REVIEW OF OPERATIONS
As of June 30, 2022

and resources equal to the supports and resources available to the more fortunate.

This simple notion has guided the design and implementation of our programs for the last 12 plus years. Growing Up New Mexico's Early Learning Programs are a complex network of sequential services, programs and opportunities – social, educational, and civic engagement – that, taken together, can change academic and social conditions, resulting in greatly increased community assets, family strengths and, ultimately, success for children.

Outlook

By creating new opportunities for children and families, we bring the community together to plan, advocate, and provide programs from birth to career. Our children become more successful in school and in life, our families become more resilient, our community becomes stronger both now and in the future. We believe we are making real and lasting changes for our families through our programs.

Growing Up New Mexico has a bold outlook for the future. Several years ago, our campaign represented a substantial portion of our revenue. Today our campaign represents 21% of our operating budget with the remaining 79% coming from the combination of private foundations, individual donations, fees for services and state multi-year service awards.



Katherine Freeman
President & CEO



Barbara Rand
Treasurer

GROWING UP NEW MEXICO

REPORT BY MANAGEMENT

June 30, 2022

Management is responsible for the preparation and the integrity of the accompanying financial statements. These statements are prepared in accordance with accounting principles generally accepted in the United States of America and require the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. In management's opinion, the financial statements present fairly our financial position, changes in our net assets and cash flows. All financial information in this Annual Financial Report is consistent with the financial statements.

Management maintains and relies on a system of internal controls and related policies and procedures that provide reasonable assurance of the integrity and reliability of the financial statements. The system provides, at appropriate costs and within the inherent limitations of all internal control systems that transactions are executed in accordance with management's authorization and are properly recorded and reported in the financial statements and that assets are safeguarded. Our internal control system provides for careful selection and training of supervisory and management personnel and requires appropriate segregation of responsibilities and delegation of authority. In addition, we have prepared a corporate code of ethics for purposes of determining possible conflicts of interest, compliance with laws and confidentiality of proprietary information.

Our independent auditors, Hinkle + Landers, audited the annual financial statements as described in their report. They obtained an understanding of our internal control system to enable them to plan their audit and determine audit procedures to be performed.

The Board of Directors has established an Audit Committee. The Committee is appointed by the Board to assist the Board in its oversight function by monitoring, among other things, our financial reporting process and the independence and performance of our independent auditors. The Committee's activities include meeting periodically with management and the independent auditors to review audit results, financial reporting, internal controls and other financial matters. The independent auditors have full and free access to the Committee.



Katherine Freeman
President & CEO



Barbara Rand
Treasurer



Independent Auditor's Report

The Board of Directors of
Growing Up New Mexico
Santa Fe, New Mexico

Opinion

We have audited the accompanying financial statements of Growing Up New Mexico (a nonprofit organization previously operating as United Way of Santa Fe County), 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Growing Up New Mexico as of June 30, 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Growing Up New Mexico and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Growing Up New Mexico's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Growing Up New Mexico's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Growing Up New Mexico'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.

Report on Prior Year Summarized Comparative Information

The prior year summarized comparative information has been derived from the Growing Up New Mexico June 30, 2021 financial statements. We have previously audited Growing Up New Mexico's 2021 financial statements, and we issued an unmodified opinion on those audited financial statements in our report dated January 5, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Management Review of Operations and Report by Management

The introductory sections identified in the table of contents as management review of operations and report by management have not been subjected to the auditing procedures applied in the audit of the Financial Statements and accordingly, we do not express an opinion or any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2023, on our consideration of Growing Up New Mexico'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 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 Growing Up New Mexico's internal control over financial reporting and compliance.

Hinkle & Landers, P.C.

Hinkle + Landers, P.C.

Albuquerque, NM

January 10, 2023

GROWING UP NEW MEXICO
STATEMENT OF FINANCIAL POSITION
As of June 30, 2022, with Comparative Totals for 2021

	Notes	2022	2021
ASSETS			
Current Assets			
Cash, restricted cash & cash equivalents	C	\$ 841,437	824,822
Campaign pledges receivable, net	H	84,643	148,243
Capital campaign pledges receivable, net - current	H	-	12,000
Grants receivable	G	484,869	464,199
Miscellaneous receivable	G	307	374
Prepaid expenses and other		88,054	51,265
Total current assets		<u>1,499,310</u>	<u>1,500,903</u>
Non-Current Assets			
Grants receivable	G	200,000	400,000
Security and equipment deposit	I	2,440	2,440
Capital campaign pledges receivable, net - non-current	H	-	20,800
Endowment investments	D, E	278,312	268,665
Property and equipment, net	J	3,496,696	3,591,133
Total non-current assets		<u>3,977,448</u>	<u>4,283,038</u>
TOTAL ASSETS		<u>\$ 5,476,758</u>	<u>5,783,941</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable		\$ 130,316	116,176
Accrued liabilities	K	170,460	147,051
Grant advance	M	381,517	-
Funds held for other organizations		-	76
Note payable - current	L	51,088	49,583
Total current liabilities		<u>733,381</u>	<u>312,886</u>
Long-Term Liabilities:			
Note payable	L	66,045	117,133
Total liabilities		<u>799,426</u>	<u>430,019</u>
Net Assets			
Net assets without donor restrictions			
Undesignated		(2,176,857)	(1,959,676)
Net investment in property and equipment		3,496,696	3,591,133
Net assets with donor restrictions			
Purpose/time restricted net assets	N	1,722,098	2,087,070
Restrictions perpetual in nature	E	1,635,395	1,635,395
Total net assets		<u>4,677,332</u>	<u>5,353,922</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 5,476,758</u>	<u>5,783,941</u>

GROWING UP NEW MEXICO
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022, with Comparative Totals for 2021

	Without Donor Restrictions	With Donor Restrictions		2022 Totals	2021 Totals
		Purpose/Time Restrictions	Perpetual Restrictions		
PUBLIC SUPPORT AND REVENUE					
Campaign results	\$ 831,820	146,956	-	978,776	1,251,039
Less provision for uncollectible pledges	(2,618)	-	-	(2,618)	(12,650)
Net campaign results before donor designations	829,202	146,956	-	976,158	1,238,389
Less donor designations	-	-	-	-	(3,740)
Net campaign revenue	829,202	146,956	-	976,158	1,234,649
Capital campaign revenue, net of discount	-	4,435	-	4,435	9,027
Bequests	-	-	-	-	8,298
County grants	187,967	-	-	187,967	116,825
State grants	2,037,514	5,000	-	2,042,514	1,796,374
City grants	80,000	-	-	80,000	40,000
Federal grants	41,446	-	-	41,446	73,701
Other grants	40,000	1,158,853	-	1,198,853	2,108,822
Use of facility in exchange for services	106,100	-	-	106,100	106,100
In-kind contributions	18,274	-	-	18,274	17,253
Total public support	3,340,503	1,315,244	-	4,655,747	5,511,049
Other income	117,696	-	-	117,696	611,887
Dividends and interest	19,548	-	-	19,548	4,944
Investment (losses) gains	(59,665)	-	-	(59,665)	45,117
Gain (loss) on assets disposal	-	-	-	-	(114,630)
Net assets released from restrictions due to satisfaction of program restrictions	1,680,216	(1,680,216)	-	-	-
Total revenue	1,757,795	(1,680,216)	-	77,579	547,318
Total public support and revenue	5,098,298	(364,972)	-	4,733,326	6,058,367
EXPENSES					
Programs					
Gross funds distributed	-	-	-	-	3,740
(Less donor designations)	-	-	-	-	(3,740)
Net funds distributed	-	-	-	-	-
Other program services	4,717,464	-	-	4,717,464	4,011,790
Total program services	4,717,464	-	-	4,717,464	4,011,790
General & administrative	388,078	-	-	388,078	368,679
Fundraising expense	304,374	-	-	304,374	315,573
Total expenses	5,409,916	-	-	5,409,916	4,696,042
Change in net assets	(311,618)	(364,972)	-	(676,590)	1,362,325
Net assets, beginning	1,631,457	2,087,070	1,635,395	5,353,922	3,991,597
Net assets, ending	\$ 1,319,839	1,722,098	1,635,395	4,677,332	5,353,922

SEE INDEPENDENT AUDITOR'S REPORT
The accompanying notes are an integral part of these financial statements.

GROWING UP NEW MEXICO
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022, with Comparative Totals for 2021

	Program	General & Administrative	Fundraising	2022 Total	2021 Total
Personnel expenses:					
Salaries	\$ 2,472,372	214,813	200,088	2,887,273	2,667,945
Payroll taxes	189,552	16,469	15,340	221,361	203,422
Payroll benefits	181,365	15,758	14,678	211,801	170,284
Retirement expense	29,791	2,588	2,411	34,790	22,774
Total personnel	<u>2,873,080</u>	<u>249,628</u>	<u>232,517</u>	<u>3,355,225</u>	<u>3,064,425</u>
General expenses:					
Professional services	561,221	48,679	28,349	638,249	435,805
Supplies	212,668	10,511	223	223,402	305,433
Repairs and maintenance	170,223	9,485	-	179,708	171,616
Capacity building	154,582	-	-	154,582	1,400
Office rent expense	105,898	4,770	4,443	115,111	115,111
Insurance	66,929	2,946	2,744	72,619	64,443
Training and education	57,385	3,762	4,569	65,716	24,202
Utilities	63,215	467	435	64,117	50,426
Telephone and internet	48,033	11,403	277	59,713	51,471
Dues and subscriptions	19,769	3,542	15,454	38,765	27,498
Printing & postage	28,549	3,114	6,275	37,938	38,957
Software support and equipment	16,840	16,693	1,652	35,185	35,020
Miscellaneous	34,493	33	-	34,526	277
Lobbying	32,363	-	-	32,363	33,193
Travel	28,026	210	-	28,236	4,046
Meetings and events	21,316	4,826	1,538	27,680	372
Equipment leases	7,020	5,139	-	12,159	12,657
Marketing and development	4,036	3,790	1,582	9,408	24,611
Interest expense	-	6,456	-	6,456	9,178
Licenses, fees, permits, and taxes	2,169	898	2,616	5,683	11,238
Storage lease	1,140	-	-	1,140	475
Subtotal general expenses before depreciation and in-kind expenses	<u>1,635,875</u>	<u>136,724</u>	<u>70,157</u>	<u>1,842,756</u>	<u>1,417,429</u>
Depreciation	102,409	1,726	-	104,135	104,460
In-kind goods and services	-	-	1,700	1,700	3,628
Use of facility in exchange for services	106,100	-	-	106,100	106,100
Total in-kind and exchange for services	<u>106,100</u>	<u>-</u>	<u>1,700</u>	<u>107,800</u>	<u>109,728</u>
Total general expenses	<u>1,844,384</u>	<u>138,450</u>	<u>71,857</u>	<u>2,054,691</u>	<u>1,631,617</u>
Total expenses	<u>\$ 4,717,464</u>	<u>388,078</u>	<u>304,374</u>	<u>5,409,916</u>	<u>4,696,042</u>

SEE INDEPENDENT AUDITOR'S REPORT
The accompanying notes are an integral part of these financial statements.

GROWING UP NEW MEXICO
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2022, with Comparative Totals for 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	2022	2021
Cash received from grants and contracts	\$ 4,111,627	3,423,969
Cash received from contributors & support	1,072,906	1,246,433
Cash received from other income	101,189	184,721
Interest income & dividends	19,548	4,944
Cash payments to vendors & contractors	(1,858,717)	(1,508,274)
Cash payments for wages & benefits	(3,331,816)	(3,043,492)
Interest paid	(6,456)	(9,178)
Net cash provided/(used) by operating activities	108,281	299,123
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of donated stock	16,574	13,625
Purchase of investments	(69,620)	(54,806)
Purchase of property and equipment	(9,698)	(33,848)
Net cash provided/(used) by investing activities	(62,744)	(75,029)
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital campaign contributions	20,661	74,375
Principal payments	(49,583)	(163,124)
Net cash provided/(used) by financing activities	(28,922)	(88,749)
Net increase (decrease) in cash	16,615	135,345
Cash, restricted cash, & cash equivalents, beginning of year	824,822	689,477
Cash, restricted cash, & cash equivalents, end of year	\$ 841,437	824,822
 RECONCILIATION OF CHANGE IN NET ASSETS TO CASH PROVIDED/(USED)		
BY OPERATING ACTIVITIES		
Change in net assets	\$ (676,590)	1,362,325
Adjustments to reconcile change in net assets		
to net cash provided (used) by operating activities:		
Depreciation expense	104,135	104,460
Loss (gain) on disposal of assets	-	114,630
Donated stock (in-kind)	(16,574)	(13,625)
Investment losses (gains)	59,665	(45,117)
Capital campaign revenue	12,139	4,598
Campaign pledges receivable	63,600	(23,764)
Grants receivable	179,330	(711,753)
PPP loan forgiven	-	(435,000)
Miscellaneous receivable	67	21,459
Prepaid expenses	(36,789)	923
Accounts payable	14,448	(100,896)
Deferred revenue	381,517	-
Funds held for other organizations	(76)	(50)
Net cash provided (used) by operating activities	\$ 108,281	299,123
 Supplementary Information		
Use of facility in exchange for services	\$ 106,100	106,100
In-kind goods and services	1,700	3,628
In-kind contributions-stock donation	16,574	13,625
	\$ 124,374	123,353

GROWING UP NEW MEXICO
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022, With Comparative Totals for 2021

NOTE A – NATURE OF OPERATIONS

Growing Up New Mexico is a New Mexico not-for-profit corporation, chartered in 1954 as United Way of Santa Fe County, with governance by a volunteer Board of Directors. In 2021, the organization underwent a name change and rebranding to more closely align with its mission and goal. Growing Up New Mexico is organized to create lasting change that improves the quality of life and health in our community. Additionally, Growing Up New Mexico has developed a comprehensive innovative community development model of early learning programs, serving as the vehicle to help achieve the organization's goal. To accomplish this goal, Growing Up New Mexico is involved in a variety of activities including provision of services, creating collaborations, civic engagement and community organizing, policy and advocacy, and fundraising.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. Under this method, all revenues earned, determinable in amount, and receivable by the organization are recognized. Expenses incurred but not paid as of the close of business at June 30 are accrued.

Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: Net assets with donor restrictions and net assets without donor restrictions. These are defined as follows:

Without Donor Restrictions

Amounts without donor restrictions are those net assets currently available at the discretion of the Board for use in Growing Up New Mexico's programs, and those resources invested in land, buildings and equipment. There were no Board designated net

GROWING UP NEW MEXICO

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022, With Comparative Totals for 2021

assets held during fiscal year 2022 and 2021, and accordingly, these financials do not reflect any activity related to this class of net assets.

Net Assets with Donor Restrictions – Temporary in Nature

Net assets with temporary donor restrictions are the result of contributions and other inflows of assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions can be fulfilled and removed by actions of the organization pursuant to those stipulations or by the passage of time. Other donor restrictions are perpetual in nature. Net assets with restrictions perpetual in nature result from contributions and other inflows of assets, the use of which is limited by donor-imposed stipulations that cannot be removed by actions of Growing Up New Mexico. See Note O for more detail.

Net Assets with Donor Restrictions – Perpetual in Nature

Net assets with perpetual donor restrictions result from contributions and other inflows of assets, the use of which is limited by donor-imposed stipulations that cannot be removed by actions of Growing Up New Mexico.

Growing Up New Mexico had net assets with permanent donor restrictions related to their Endowment Fund. See Note E for more detail.

Liquidity and Availability of Financial Resources

Growing Up New Mexico regularly monitors liquidity to meet cash flow requirements and operating needs. The availability of financial assets is primarily affected by management designations, the nature of the underlying assets, external limitations imposed by donors or contracts with others. Growing Up New Mexico is substantially supported by restricted grants. Because a donor's restriction requires resources to be used in a particular manner or in a future period, Growing Up New Mexico must maintain sufficient resources to meet those responsibilities to its donors. These financial assets may not be available for general expenditure within one year. As part of Growing Up New Mexico's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, Growing Up New Mexico can invest cash in excess of daily requirements in short-term investments. Occasionally, if the opportunity arises, the board may designate a portion of any operation surplus to its liquidity reserve.

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Liquidity is as follows:

	2022	2021
Financial assets, at year end		
Cash and cash equivalents	\$ 841,437	824,822
Campaign pledges receivable	84,643	148,243
Capital campaign pledges receivable	-	12,000
Grants receivable	484,869	464,199
Miscellaneous receivables	307	374
Financial assets available to meet cash needs for general expenditures within one year	1,411,256	1,449,638
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(1,722,098)	(2,087,070)
Less net assets with purpose and time restrictions to be met in less than a year	1,522,098	1,666,270
	(200,000)	(420,800)
Current assets available to meet cash needs for general expenditures within one year	\$ 1,211,256	1,028,838

Donor restricted funds are available for expenditure upon satisfaction of the restriction, the expected timing of which is not generally determinable in advance. In addition, Growing Up New Mexico has a revolving line of credit of \$250,000, with \$250,000 available as of June 30, 2022 and 2021.

Cash, Restricted Cash, and Cash Equivalents

Growing Up New Mexico considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash includes money market funds and interest-bearing instruments with maturities of three months or less at the date of purchase. Growing Up New Mexico maintains deposits in financial institutions that at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). Management believes that there is not a significant risk with respect to these deposits.

Concentration of Credit Risk – Uninsured Cash Balances

Growing Up New Mexico maintains cash funds in five separate financial institutions located in Santa Fe, New Mexico. Currently, the FDIC insures bank balances up to \$250,000, per institution. The SIPC insures money market balances up to \$500,000, however SIPC does not protect the value of the balances. As of June 30, 2022, Growing Up New Mexico's Enterprise Bank cash balances were underinsured by \$1,012.

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Investments

Investments are carried at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized gains and losses are recorded on a specific identification method upon the sale of investment assets. Realized and unrealized gains and losses, as well as investment expenses are reflected within the investment return, net, in the statement of activities. Investment income and gains (losses) restricted by donors are reported as increases (decreases) in net assets without donor restrictions unless donor-imposed restrictions have not been met in the reporting period in which the income and gains are recognized.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

The fair value of investments is subject to ongoing fluctuation. The amount ultimately realized upon disposition may differ from the amounts reported in these financial statements. Fair value estimates for securities are currently volatile, difficult to predict, and subject to material changes that could affect Growing Up New Mexico's financial condition and results of operations in the future.

Prepaid Expenses

Prepaid expenses consist of insurance and program costs that are paid ahead of time and reduced throughout the fiscal year.

Accounts, Grants and Contracts Receivables

Contracts, grants, and other receivables are stated as unpaid balances, less a discount for doubtful accounts. Management estimates the adequacy of the discounted amount of net receivables based on historical collections, specific impaired receivables, and other situations that may affect the collection of the receivables. Receivables are charged off in the period in which the management determines the receivable is uncollectible. As of June 30, 2022 and 2021, management estimates all contract, grant, and net contribution receivables to be fully collectible; therefore, no provision for an allowance for uncollectible

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receivables has been recorded.

Pledged Receivables

Unconditional pledges to give are recognized as contribution revenues and receivables in the period the pledge is made. Conditional pledges to give are recognized when the conditions on which they depend are substantially met. Pledged receivables are allowance based on the receivables that have gone uncollected by the fiscal year end.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of investments is subject to ongoing fluctuation. The amount ultimately realized upon disposition may differ from the amounts reported in these financial statements. Fair value estimates for securities are currently volatile, difficult to predict, and subject to material changes that could affect Growing Up New Mexico's financial condition and results of operations in the future.

Revenue Recognition

Growing Up New Mexico has adopted ASC 606 "Revenue from Contracts with Customers" and ASU 2018-08, "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made" in accordance with accounting principles generally accepted in the United States of America.

The following summarizes the revenue recognition policies for major classifications of revenue:

- **Grants and Contributions**—Grants and contributions of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Grants and contributions received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

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Grants and contributions received with donor stipulations that are met in the same year are initially identified as restricted and then released (as shown in Note N). There may be other donor restricted funds with donor stipulations that are met in the same year in which the contributions are received; these are classified as revenue and net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are computed using risk free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

- **Donated Materials and Services**—Donated services and materials are recorded as both revenue and expense in the accompanying statement of activities at their estimated values. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations. If donors of property or equipment stipulate how long these assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions.
- **Contract Revenue**—Contract revenue is recorded at the time the services are provided and the performance obligation is satisfied. Some contracts are fee for service and other contracts are on a reimbursement basis. For these contracts, the performance obligation is the delivery of the services supplied to the customer. The transaction price is established by Growing Up New Mexico and the contracting entity per an agreement. No allocation of the transaction price of the services is necessary. Specifically, when Growing Up New Mexico has incurred expenses or provided services in compliance with the general and specific requirements of the funding source, both the receivable from the government agency and offsetting contract revenue are recorded.

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- **Payroll Protection Program (PPP) Loan Revenue** - Growing Up New Mexico applied for and received forgiveness during 2021 for a PPP loan which it obtained in 2020. Upon receipt of approval for forgiveness, Growing Up New Mexico accounted for the loan in accordance with FASB ASC 958-605, Not-for-Profit Entities—Revenue Recognition, as a conditional contribution under which (1) proceeds from the loan were initially recorded as a refundable advance, and (2) the refundable advance was reduced and the contribution was recognized when the conditions of release were substantially met or explicitly waived. Growing Up New Mexico recognized \$435,000, the entirety of the original PPP loan amount, as revenue in FY21.
- **Donor Designated Funds** - Annual fundraising campaigns are conducted each year to carry out Growing Up New Mexico's mission. Pledges from campaigns continue to be received into the following calendar year. Pledges that are donor designated for payment to specific agencies or other third parties are accounted for as agency transactions, rather than as revenue and expense of Growing Up New Mexico. Amounts representing pledges designated by donors to specific agencies (and thus, not included in net revenue or expense) totaled, net of fees, \$0 in 2022 and \$3,740 in 2021.

Property, Equipment, and Depreciation

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property are reported as support with donor restrictions. Depreciation is computed using the straight-line method. Growing Up New Mexico capitalizes all expenditures for property and equipment with a cost of \$5,000 or more with useful lives in excess of two years. Items with a cost of less than \$5,000 are expensed in the year of acquisition. Repairs and maintenance expenses are charged to operations when incurred and major betterments and replacements are capitalized.

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The major classifications of property and equipment and the related depreciable lives are as follows:

<u>Type</u>	<u>Useful Lives</u>
Building and building improvements	10-39 years
Leasehold improvements	2 - 39 years
Furniture & equipment	3 - 5 years
Computer equipment and other	3 - 5 years

Impairment of Long-Lived Assets

Growing Up New Mexico accounts for long-lived assets in accordance with the provisions of FASB ASC 360-10 and subsections. ASC 360-10 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell. Management does not believe impairment indicators are present as of June 30, 2022.

Accrued Leave

For full-time employees whose work does not adhere to the annually established school year schedule, PTO will be accrued at the rate of 6.15 hours per pay period, to be pro-rated for employees working less than 40 hours per week, down to 20 hours per week. PTO balances will carry forward from year to year, but an employee may not, unless otherwise approved by the President or the Board of Directors, exceed the amount that he or she would accrue over the course of one year of work. When this limit is reached, the employee's accrued PTO balance will remain at this cap until such time that the balance is lowered by the employee using PTO. This policy is not applicable to employees of the PreK Program whose work necessitates their consistent presence, and as these employees do not accrue PTO.

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The following table outlines the accrual rates:

<u>Employee Classification</u>	<u>Computation of PTO</u>
Full-time (40 hrs)	
Professional and Admin Staff (1st to 5th years)	20 days
Full-time (40 hrs)	
Professional and Admin Staff (5th year plus)	25 days
Permanent part-time staff	
(any permanent employee who works less than 40 hrs, down to 20 hrs)	accrued at a prorated full-time rate

The annual leave balance at year end was \$71,370 in 2022 and \$70,809 in 2021.

Support

Growing Up New Mexico reports contributions of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed (Donated) Services

Contributions of services are recognized in the accompanying financial statements in accordance with FASB ASC 958-605-25-16; if the services received:

- enhance or create non-financial assets,
- require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

A substantial number of unpaid volunteers have made significant contributions of their time to develop Growing Up New Mexico's programs, principally in board activities, fundraising and programs. The value of this contributed time is not reflected in these financial statements. Donated goods and services are recorded at their estimated fair value at the date of donation. Services that require specific expertise are recorded when received. See Note O for a summary of in-kind contributions.

Contributed (Donated) Assets

Growing Up New Mexico may receive contributions of non-cash assets and use of facilities in return for services provided. Donated marketable securities and other non-

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cash donations are recorded as in-kind contributions at their estimated fair values at the date of donation. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Absent donor stipulations regarding how long those donated assets must be maintained, Growing Up New Mexico reports the expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Growing Up New Mexico reclassifies net assets with donor restrictions to net assets without donor restrictions at that time unless the donor has restricted the donated asset to a specific purpose. See Note O for additional detail regarding donated assets and use of facilities.

Advertising

Growing Up New Mexico expenses advertising costs as incurred. Advertising costs are incurred primarily for the dissemination of program information.

Retirement Benefits

Growing Up New Mexico provides a retirement plan under Section 403(b) of the Internal Revenue Code. Eligible employees are entitled to immediately participate in the 403(b)-retirement plan, with the Organization matching their contributions up to 3% of their earnings after one year of employment. Employer contributions to the retirement plan were \$34,790 and \$22,774 for the years ended June 30, 2022 and 2021, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of Growing Up New Mexico have been summarized on a functional basis in the statement of functional expenses. Salary and other personnel costs that are not directly coded to a programmatic activity are allocated based on time certifications and the best estimate of employees. Bad debt is allocated to program expenses based on actuals. Repairs, maintenance and depreciation expenses are allocated among the programs, supporting services, and fundraising activities benefited.

Other operating costs are allocated using various allocation methodologies including allocations based on personnel, square footage, or revenue generated.

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For the Year Ended June 30, 2022, With Comparative Totals for 2021

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

Growing Up New Mexico is a non-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as an organization that is not a private foundation.

Growing Up New Mexico files its Federal Form 990 tax return in the U.S. federal jurisdiction and the online charitable registration in the Office of the Attorney General for the State of New Mexico. The organization is generally no longer subject to examination by the Internal Revenue Service and the New Mexico Taxation and Revenue Department for fiscal years before 2019. Growing Up New Mexico is not currently under audit nor has the organization been contacted by any of these jurisdictions. Management believes that they are operating within their tax-exempt purpose.

Comparative Financial Statements

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Growing Up New Mexico's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Reclassifications

Certain reclassifications may have been made to 2021 amounts to conform to 2022 presentation.

GROWING UP NEW MEXICO
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022, With Comparative Totals for 2021

NOTE C – CASH, RESTRICTED CASH, AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at June 30:

<u>Type</u>	<u>2022</u>	<u>2021</u>
Checking and savings	\$ 841,387	824,772
Petty cash	50	50
Total	<u>\$ 841,437</u>	<u>824,822</u>

Cash and restricted cash consist of the following at June 30:

<u>Cash and Restricted Cash</u>	<u>2022</u>	<u>2021</u>
Without donor restrictions	\$ (110,841)	(216,632)
With donor restrictions	952,278	1,041,454
Total cash and cash equivalents	<u>\$ 841,437</u>	<u>824,822</u>

Restricted Cash and Investments

Cash and investments are restricted for the perpetually restricted endowment and to satisfy purpose or time restrictions.

Restricted cash is as follows:

<u>Restricted Cash</u>	<u>2022</u>	<u>2021</u>
Net assets with purpose restrictions	\$ 1,722,098	2,087,070
Less: outstanding receivables with purpose restrictions	<u>(769,820)</u>	<u>(1,045,616)</u>
Total restricted cash	<u>\$ 952,278</u>	<u>1,041,454</u>

Restricted investments are as follows:

	<u>2022</u>	<u>2021</u>
Restricted endowment investments	<u>\$ 278,312</u>	<u>268,665</u>

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NOTE D – INVESTMENTS

Investments at June 30, include:

	<u>2022</u>		<u>2021</u>	
	<u>Original Cost</u>	<u>Fair Value</u>	<u>Original Cost</u>	<u>Fair Value</u>
Investments				
Securities & equity funds	\$ 150,237	158,284	110,275	156,135
Bond & fixed income	138,703	120,028	109,204	112,530
Total investments	\$ <u>288,940</u>	<u>278,312</u>	<u>219,480</u>	<u>268,665</u>

Investment activity for each fiscal year consists of the following:

	<u>2022</u>	<u>2021</u>
Beginning Balance	\$ 268,665	168,742
Investment income (loss), net	(40,425)	49,851
Contributions	50,072	50,072
Ending Balance	\$ <u>278,312</u>	<u>268,665</u>

NOTE E – ENDOWMENT

The endowment is made up of the following:

<u>Endowment</u>	<u>2022</u>	<u>2021</u>
Investments	\$ 278,312	268,665
Loan receivable	1,376,975	1,427,047
Total endowment	\$ <u>1,655,287</u>	<u>1,695,712</u>

Interpretation of Relevant Law

Growing Up New Mexico is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. Growing Up New Mexico's Board of Directors has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary.

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As a result of this interpretation, when reviewing its donor-restricted endowment funds, Growing Up New Mexico considers a fund to be underwater if the fair value of the fund is less than the sum of:

- a) the original value of initial and subsequent gift amounts donated to the fund and
- b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

Growing Up New Mexico has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, Growing Up New Mexico considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of Growing Up New Mexico.

Changes in endowment net assets as of June 30, 2022 are:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$ 60,317	1,635,395	1,695,712
Activity			
Investment income/(loss)	(40,425)	-	(40,425)
Endowment net assets, end of the year	<u>\$ 19,892</u>	<u>1,635,395</u>	<u>1,655,287</u>

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Changes in endowment net assets as of June 30, 2021 are:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$ 10,466	1,635,395	1,645,861
Activity			
Investment income/(loss)	49,851	-	49,851
Endowment net assets, end of the year	\$ 60,317	1,635,395	1,695,712

Return Objectives and Risk Parameters

Growing Up New Mexico has adopted investment and spending policies for endowment assets which attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of funds with donor restrictions that must be held in perpetuity or for a donor- specified period(s). Under this policy, as approved by the Board of Directors the endowment assets are invested in a manner that is intended to produce results which exceed the price and yield results of investment vehicle specific benchmarks while assuming an appropriate level of risk. The investment policy calls for expectation of 4% plus the rate of the Consumer Price Index. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Growing Up New Mexico relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). In the case of gifts by donors with permanent restrictions (endowment funds), preservation of the value of the original gift is the primary emphasis of Growing Up New Mexico. Growing Up New Mexico will target a diversified asset allocation of moderate long-term growth of principal and income, as well as stability within prudent risk parameters and constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

In accordance with Growing Up New Mexico's investment policy approved by the Board of Directors, no distributions will occur beginning in fiscal year 2020 until the loan receivable is repaid.

GROWING UP NEW MEXICO
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NOTE F - FAIR VALUES MEASURED ON RECURRING BASIS

Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on Growing Up New Mexico's financial statements as reflected herein. Growing Up New Mexico measures certain financial assets and liabilities at fair value on a recurring basis, including its derivative liabilities. Growing Up New Mexico's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy.

The three levels are as follows:

Level 1

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

Level 2

Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value of investment securities is the market value based on the quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs to the limited market activity of the instrument.

The following table sets forth value measurements of Growing Up New Mexico's financial assets within the fair value hierarchy by level, measured at fair value as of June 30:

	Level 1	
	2022	2021
Investments	\$ 278,312	268,665

The carrying amounts of cash and cash equivalents, receivables, payables, accrued expenses, and other liabilities approximate fair value due to the short maturity periods of these instruments. The fair value of long-term debt, if any, is the carrying value due to the adjustable market rate of interest.

NOTE G – GRANTS & OTHER RECEIVABLES

The accounts receivable aging summary at year end is follows:

	2022	2021
Current (1-30)	\$ 273,912	264,573
31-90 days	9,017	-
Greater than 90 days	402,247	600,000
Total grants and other receivables	\$ 685,176	864,573

The non-current portion of the Delle Foundation grant receivable was \$200,000 as of June 30, 2022 and \$400,000 at June 30, 2021. Delle Foundation grant receivables with due dates extending beyond one year are presented at current value as the difference between current value and present value is immaterial.

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Grants and other receivables at year end are as follows:

<u>Customer</u>	<u>2022</u>	<u>2021</u>
Delle Foundation	\$ 400,000	600,000
CYFD First Born Home Visiting Program	138,661	55,114
Home-Based Child Care	39,852	-
CYFD PreK Jumpstart Program	18,000	14,400
CYFD Early PreK	15,974	33,766
State of New Mexico	13,752	(3,296)
CYFD PreK Extended Day	12,852	27,621
City of Santa Fe Children & Youth Commission	10,196	-
Southwest NM Council of Governments	9,326	-
SF County Navigation	8,351	13,625
CYFD Systems	8,217	
CYFD CACFP	5,427	2,207
Dolly Parton Imagination Library	4,261	4,762
Other	307	374
CYFD Home Visiting COVID Relief	-	63,000
Christus St. Vincent	-	50,000
Central Region Educational Cooperative	-	3,000
Total grants and other receivables	\$ <u>685,176</u>	<u>864,573</u>

The amount of \$(3,296) in 2021 was the result of an overpayment by the State of New Mexico.

As of June 30, 2022 and 2021, management estimates all receivables to be fully collectible; therefore, no provision for an allowance for uncollectible receivables has been recorded.

NOTE H – PLEDGES RECEIVABLE

Campaign pledges receivable are comprised of the following unconditional promises to give at June 30:

	<u>2022</u>	<u>2021</u>
Campaign pledges receivables	\$ 87,261	160,893
Less: allowance for uncollectible pledges	<u>(2,618)</u>	<u>(12,650)</u>
Net campaign pledges receivable	\$ <u>84,643</u>	<u>148,243</u>

All campaign pledges are expected to be received within one year.

GROWING UP NEW MEXICO
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022, With Comparative Totals for 2021

In 2016, the Organization launched a capital campaign to obtain funding for the development of the Early Learning Center in collaboration with Santa Fe Public Schools. This campaign ended in FY21. Capital campaign pledges receivable are comprised of the following unconditional promises to give at June 30:

		2022	2021
Capital campaign pledges receivables	\$	-	37,235
Less: Discount to net present value		-	(4,435)
Net capital campaign pledges receivable	\$	-	32,800

Capital Campaign pledge receivable with due dates extending beyond one year have been discounted at a 3% annual rate based on historical review of uncollectable amounts. The capital campaign pledges receivables are restricted in use for costs and expenses of the Early Learning Center.

		2022	2021
Amounts due in:			
Less than one year	\$	-	12,000
One to five years		-	25,235
Total	\$	-	37,235

NOTE I – SECURITY DEPOSIT

Growing Up New Mexico has security deposits related to their office space and equipment rent. Security deposits are as follows at June 30:

		2022	2021
Security deposit	\$	1,975	1,975
Equipment deposit		465	465
Total deposits	\$	2,440	2,440

GROWING UP NEW MEXICO
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022, With Comparative Totals for 2021

NOTE J – PROPERTY, EQUIPMENT, AND DEPRECIATION

Property and equipment consisted of the following at June 30:

	<u>2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>2022</u>
Property and equipment not depreciated				
Furniture not yet in service	\$ -	3,192	-	3,192
Property and equipment depreciated				
Building and building improvements	3,872,077	-	-	3,872,077
Leasehold improvements	148,056	6,506	-	154,562
Furniture & equipment	37,670	-	-	37,670
Computer equipment and other	68,169	-	-	68,169
Total property and equipment	<u>4,125,972</u>	<u>9,698</u>	<u>-</u>	<u>4,135,670</u>
Less: accumulated depreciation				
Building	(287,252)	(102,388)	-	(389,640)
Leasehold improvements	(143,384)	(339)	-	(143,723)
Furniture & equipment	(37,649)	(21)	-	(37,670)
Computer equipment and other	(66,554)	(1,387)	-	(67,941)
Total accumulated depreciation	<u>(534,839)</u>	<u>(104,135)</u>	<u>-</u>	<u>(638,974)</u>
Total property and equipment, net	<u>\$ 3,591,133</u>	<u>(94,437)</u>	<u>-</u>	<u>3,496,696</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$104,135 and \$104,460, respectively.

NOTE K – ACCRUED LIABILITIES

Accrued liabilities at June 30, consist of the following:

	<u>2022</u>	<u>2021</u>
Accrued annual leave	\$ 71,370	70,809
Accrued payroll	99,040	76,242
Other accrued liabilities	50	-
Total accrued liabilities	<u>\$ 170,460</u>	<u>147,051</u>

GROWING UP NEW MEXICO
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022, With Comparative Totals for 2021

NOTE L – NOTE PAYABLE

Growing Up New Mexico had the following changes in its note payable for the year ended June 30:

	<u>2021</u>	<u>Additions</u>	<u>Repayment</u>	<u>2022</u>
Santa Fe Community Foundation Note	\$ 166,716	-	(49,583)	117,133
Total	\$ 166,716	-	(49,583)	117,133

The note payable consisted of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Unsecured, uncollateralized note payable with Santa Fe Community Foundation for \$250,000. Proceeds of the loan to be used solely for advancing the implementation of child and parent services at the Santa Fe Early Learning Center at Agua Fria. Quarterly payments of principal and interest at 3% beginning December 31, 2019. All outstanding principal and interest due September 2024.	\$ 117,133	166,716
Total interest expense	\$ 4,447	5,911
	2023 \$	51,088
	2024	52,638
	2025	13,407
	2026	-
	2027	-
	Thereafter	-
	Total \$	<u>117,133</u>

GROWING UP NEW MEXICO
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022, With Comparative Totals for 2021

In addition, the line of credit balance outstanding was as follows:

	2022	2021
<p>On February 20, 2020, Growing Up New Mexico took out a variable rate non-disclosable revolving line of credit loan with a limit of \$250,000 at Century Bank. The interest rate is calculated as the U.S. Prime Rate plus 0.75%, and the line of credit is renewed annually. All outstanding principal from the initial loan was paid during 2021, with the final payment made on February 5, 2021. A second loan from this line of credit in the amount of \$115,000 was obtained on October 12, 2021. This loan was paid in its entirety on March 1, 2022.</p>	\$ <u> -</u>	\$ <u> -</u>
<p>Total interest expense</p>	\$ <u> 2,006</u>	\$ <u> 3,267</u>

For the years ended June 30, the following summarizes the total principal outstanding and interest paid on the note payable and line of credit:

	2022	2021
<p>Principal outstanding</p>		
Current portion	\$ 51,088	49,583
Non-current portion	<u>66,045</u>	<u>117,133</u>
Total principal outstanding	\$ <u>117,133</u>	\$ <u>166,716</u>
<p>Total interest expense for note payable and line of credit</p>	\$ <u> 6,453</u>	\$ <u> 9,178</u>

GROWING UP NEW MEXICO
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022, With Comparative Totals for 2021

Intercompany Endowment Payable/Receivable

In 2020, Growing Up New Mexico formalized their repayment terms with its Endowment Fund and began repaying the Endowment Fund for prior year distributions. This balance is not shown on the statement of financial position.

	2021	Additions	Repayment	2022
Endowment Fund Promissory Note	\$ 1,427,047	-	(50,072)	1,376,975

On July 20, 2019, Growing Up New Mexico formalized a promissory note from the Endowment Fund for \$1,502,155 related to previous year distributions for the purchase and renovations of the Kaune Elementary School. The promise to pay was effective on January 31, 2020. There is a yearly interest rate of 5% charged on the unpaid balance. Interest is paid yearly starting on December 31, 2020. Monthly principal payments in the amount of \$4,172.65 will commence on or before January 31, 2020. One final payment of principal and accrued interest will be paid on or before January 31, 2050. This internal loan is eliminated on the face of the financial statement.

	\$ 1,376,975	1,427,047
Total interest expense	\$ 70,309	72,813

	2023 \$	50,072
	2024	50,072
	2025	50,072
	2026	50,072
	2027	50,072
	Thereafter	1,126,615
	Total \$	1,376,975

NOTE M – GRANT ADVANCE

During the year ended June 30, 2022, Growing Up New Mexico received advance funds of \$487,400 from the New Mexico Early Childhood Education & Care Department Child Care Stabilization Grant. These funds are to be used solely for personnel costs, rent, facility maintenance or improvements, equipment to be used in child care services, health and safety trainings for staff, and mental health supports for children and employees. At June 30, 2022 the balance of the funds remaining is \$381,517. This balance is reflected in the financial statements as grant advance.

GROWING UP NEW MEXICO
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022, With Comparative Totals for 2021

NOTE N – NET ASSETS WITH DONOR RESTRICTIONS

Various contributions have been restricted by donors. Net assets with donor restrictions related to assets restricted for program use are as follows:

<u>Net Assets with Donor Restrictions in Purpose/Time</u>	<u>2021</u>	<u>Additions</u>	<u>Released</u>	<u>2022</u>
Outstanding pledge contributions	\$ 148,243	-	(63,600)	84,643
Early Learning Programs (Santa Fe Children's Project)	651,206	119,321	(289,344)	481,183
Bridges to Opportunity	132,464	183,635	(155,281)	160,818
Policy	537,537	967,853	(973,886)	531,504
Capital campaign contributions	279,718	4,435	(3,192)	280,961
Family, Friends, and Neighbors	336,588	40,000	(193,599)	182,989
Growing Up NM Emergency fund	1,314	-	(1,314)	-
Total Net Assets with Donor Restrictions in Purpose/Time	\$ <u>2,087,070</u>	<u>1,315,244</u>	<u>(1,680,216)</u>	<u>1,722,098</u>

NOTE O – USE OF FACILITY AND IN-KIND CONTRIBUTIONS

Growing Up New Mexico had the following exchange of services for use of facility and in-kind donation revenues at June 30.

Use of Facility:

- Growing Up New Mexico provides crucial services to the city of Santa Fe and surrounding communities, and in exchange for those services, the Board of Education of the Santa Fe Public Schools has provided the use of a facility for Growing Up New Mexico's Early Learning Community Collaboration Compact program and administrative activities. This is provided for through a lease agreement between the parties in which the rental fee is offset by the amount of allowable costs incurred to provide the early learning services. The amount of expense incurred surpasses the amount of rent charged, and so the use of the facility is recorded as in-kind revenue for the amount that would have otherwise been paid. The initial lease was for the period of January 1, 2015 through December 30, 2019, and is currently on its third and final consecutive one-year extension ending December 31, 2022 (see Note P).
- A second lease agreement between Growing Up New Mexico and Kids Kitchen, LLC, for commercial kitchen space, provided for donation of the space at fair market value in exchange for the preparation of meals for local children. This is also accounted for as use of facility in exchange for services in the amount that would otherwise have been paid for the lease.

GROWING UP NEW MEXICO
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022, With Comparative Totals for 2021

At year end, Growing Up New Mexico recognizes in-kind contributions and use of facilities in exchange for services as follows:

<u>Donated Goods and Services</u>	<u>2022</u>	<u>2021</u>	<u>Usage in Programs/Activities</u>	<u>Donor Restriction</u>	<u>Fair Value Technique</u>
Use of facility in exchange for services	\$ 94,100	94,100	Early learning services	Early learning services	1
Use of facility in exchange for services	12,000	12,000	Meal preparation for children	Meal preparation for children	1
Donated stock	16,574	13,625	Operations	None	2
In-kind equipment	-	2,328	Early learning services	Early learning services	2
In-kind donation of fundraising prizes	1,700	1,300	Resource development	None	2
Total	\$ <u>124,374</u>	<u>123,353</u>			

* Legend for Fair Value Techniques

1. Estimated based on third party fair valuation or fair value of comparative properties in the area.
2. Estimated based on current prices for identical or similar products.

NOTE P – OPERATING LEASES

Growing Up New Mexico rents office space and equipment under multiple leases that expire in various months during fiscal years 2022 and 2034. Monthly payments range from \$37 to \$11,537, and the lease terms range from 1 year to 12 years. These leases have been accounted for as operating leases by Growing Up New Mexico.

Minimum future lease payments as of June 30, 2022, are as follows:

<u>Year ending</u>	<u>Amount</u>
2023	\$ 133,090
2024	134,847
2025	137,859
2026	138,820
2027	97,595
Thereafter	721,598

Lease expenses for the years ended June 30, 2022 and 2021 were \$127,270 and \$127,768, respectively.

Beginning January 1, 2015, Growing Up New Mexico entered into a lease agreement with the Board of Education of the Santa Fe Schools (Board), to rent the Agua Fria Elementary School for administrative office space and service space for the Early Learning Community Collaboration Compact programs. The lease is subject to the prior approval of the New Mexico State Board of Finance. The term of the initial lease was for five years, beginning

GROWING UP NEW MEXICO
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022, With Comparative Totals for 2021

on January 1, 2015 and ending on December 30, 2019. The lease could then be renewed annually for not more than three consecutive one-year periods. Growing Up New Mexico is currently on its third and final renewal, ending December 31, 2022.

Growing Up New Mexico is required to pay base rent of \$94,100 per year. However, the annual rent payment for base rent will be offset by the amount of the allowable costs, as defined in the agreement, incurred by Growing Up New Mexico to provide the services to the Santa Fe Schools at Agua Fria Elementary School. Growing Up New Mexico submits monthly certification of allowable costs of services which details the amount of resources spent on behalf of Growing Up New Mexico by program and type, in order to, ensure the monthly allowable costs equal or exceed the base rent. Any amount of offset which exceeds the amount of base rent will be credited against the next month's base rent. If the lease is terminated for any reason, then any credit due to Growing Up New Mexico from Board will be treated as a donation of services to Board as a governmental entity and the Board will have no payment obligation to Growing Up New Mexico for any credit balance. Any deficiencies will be paid by Growing Up New Mexico. It is management's belief that it is unlikely that allowable costs would not exceed base rent amount due. Any credits due to Growing Up New Mexico at termination will be treated as a donation of services. The transaction related to this lease has been recorded as non-cash recognition of revenue for the use of facility in the amount of \$94,100, and recognition of expense as exchange of services of \$94,100.

Either party has the right to terminate the lease for breach by the other party of any material condition of the lease, subject to the provisions outlined in the lease agreement. Growing Up New Mexico can terminate the lease by providing written notice to the Board, at least 60 days prior to either the end of the original term or the expiration of any renewals, if applicable. This lease was terminated on October 14, 2022.

NOTE Q – JOINT COST ALLOCATIONS

Growing Up New Mexico did not participate in joint activities during the 2022 year or the 2021 year that required allocations.

GROWING UP NEW MEXICO
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022, With Comparative Totals for 2021

NOTE R – CONCENTRATION OF MARKET AND BUSINESS RISK

Economic Dependency

Growing Up New Mexico receives a significant portion of its revenue in the form of grants, contracts, and other contributions. Growing Up New Mexico expects these grants, contracts, and awards to continue into the foreseeable future. If, however, a significant portion of these funds are not continued, Growing Up New Mexico’s ability to continue all programs would be diminished.

The following is a summary of concentrations from contributions and grants as of June 30:

<u>Concentrations</u>	<u>2022</u>	<u>2021</u>
Contributions, grants, and contracts	\$ <u>4,655,747</u>	<u>5,511,049</u>
Total revenue	\$ <u>4,733,326</u>	<u>6,058,367</u>
Concentration percentage	<u>98%</u>	<u>91%</u>

Geographical Concentration

Growing Up New Mexico’s operations are concentrated in the areas including and around Santa Fe, New Mexico. The organization also directly supports statewide policy work as well as the development of family leaders through a statewide Family Leadership Council.

NOTE S – PROGRAM EXPENSES

Prior to re-branding in January 2021, Growing Up New Mexico was operating as United Way of Santa Fe County. While operating as a United Way organization, donations and pledges were received which were designated for specified non-profit charitable organizations at the request of the donor. The organization received a 10% administrative fee for performing these distributions. This service was discontinued in January 2021.

GROWING UP NEW MEXICO
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022, With Comparative Totals for 2021

Designations distributed for the years ended June 30, 2022 and 2021 are as follows:

Designations	2022	2021
Reading Quest	\$ -	2,940
SFCF Empty Stocking Fund	-	200
Partners in Education	-	150
The Interfaith Community Shelter	-	150
Literacy Volunteers of Santa Fe	-	100
Santa Fe Children's Museum	-	100
Santa Fe Community College Foundation	-	100
Total donor designations	\$ -	3,740

In July 2018, Growing Up New Mexico entered into a joint venture with The Food Depot, a food bank located in Santa Fe, New Mexico, and created the nonprofit organization, Kids Kitchen, LLC, which is housed at Growing Up New Mexico's Early Learning Center at Kaune, and for which Growing Up New Mexico served as fiscal agent through February 5, 2021. The Food Depot assumed fiscal agent responsibilities for Kids Kitchen from February 5, 2021 forward. Growing Up New Mexico and The Food Depot had a 50/50 interest in Kids Kitchen under the joint venture. On August 31, 2021, the Managers, General Managers, and Members of Kids Kitchen, LLC consented for Kids Kitchen to become part of The Food Depot. The joint venture was officially dissolved on December 16, 2021, and at that time, Growing Up New Mexico ceased to have an interest in Kids Kitchen.

The purposes for which Kids Kitchen, LLC was organized are:

- Providing meals to youth under various government sponsored and reimbursed food and food insecurity programs;
- Providing meals on a paid basis to other interested youth and senior oriented programs and institutions;
- Providing job training for persons in the Members' service area; and
- Conducting, assisting or supporting other endeavors in keeping with the missions and charters of its Members.

GROWING UP NEW MEXICO
NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022, With Comparative Totals for 2021

The following table is a breakdown of support, revenue, and expenses, presented on Growing Up New Mexico’s statement of activities, as noted in the table of contents, for the years ended June 30:

	2022	2021
Support and revenue		
Other income		
Kids Kitchen expense reimbursement	\$ -	88,872
Use of facility in exchange for services	12,000	12,000
Total support and revenue	\$ 12,000	100,872
Expenses		
Personnel expenses	\$ -	82,075
Use of facility in exchange for services	-	12,000
Supplies	-	5,799
Administrative expense credited	-	5,000
Licenses, fees, permits, and taxes	-	374
Telephone and internet	-	285
Training and education	-	247
Marketing and development	-	60
Repairs and maintenance	-	12
Printing and postage	-	-
Dues and subscriptions	-	-
Utilities	-	-
Total expenses	\$ -	105,852

NOTE T – EVALUATION OF SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. Growing Up New Mexico recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. Growing Up New Mexico’s financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements are available to be issued. The organization has evaluated subsequent events through January 10, 2023, which is the date the financial statements were available to be issued.



**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**

The Board of Directors of
Growing Up New Mexico
Santa Fe, 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 Growing Up New Mexico (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional allocation of 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 10, 2023.

Report on Internal Control Over Financial Reporting

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

January 10, 2023

**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*, continued**

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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Growing Up New Mexico’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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

January 10, 2023

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*, continued

considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hinkle & Landers, P.C.

Hinkle + Landers, PC
Albuquerque, NM
January 10, 2023

GROWING UP NEW MEXICO
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2022

<u>Reference #</u>	<u>Finding</u>	<u>Status of Prior Year Findings</u>	<u>Type of Finding*</u>
NONE			

* Legend for Type of Findings

- A. Material Weakness in Internal Control Over Financial Reporting
- B. Significant Deficiency in Internal Control Over Financial Reporting
- C. Other Matters Involving Internal Control Over Financial Reporting