

Financial Statements

San Juan County Partnership, Inc.
 STATEMENTS OF FINANCIAL POSITION
 June 30,

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 221,077	\$ 159,412
Contracts and grants receivable	215,586	174,566
Other current assets	18,357	6,078
Total current assets	455,020	340,056
Property and equipment, net	-	-
Total assets	\$ 455,020	\$ 340,056
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 17,800	\$ 35,878
Accrued expenses	5,715	4,156
Accrued compensated absences	19,220	19,220
Total current liabilities	42,735	59,254
Net assets		
Without donor restrictions		
Undesignated	412,285	280,802
Total net assets without donor restrictions	412,285	280,802
Total liabilities and net assets	\$ 455,020	\$ 340,056

The accompanying notes are an integral part of these statements.

San Juan County Partnership, Inc.
STATEMENTS OF ACTIVITIES
Year Ended June 30,

	Without donor restrictions	
	2022	2021
Revenues and support		
Support		
Government grants and contracts	\$ 1,468,112	\$ 1,196,020
Total support	<u>1,468,112</u>	<u>1,196,020</u>
Revenues		
Interest income	5	-
Other program revenues	74,466	25,111
Total revenues	<u>74,471</u>	<u>25,111</u>
Total support and revenues	<u>1,542,583</u>	<u>1,221,131</u>
Expenses		
Program expenses		
Substance abuse prevention	574,003	494,890
Housing assistance	715,136	535,519
Community prevention and wellness	112,211	98,624
Total program expenses	<u>1,401,350</u>	<u>1,129,033</u>
Supporting services		
Management and general	9,750	50,225
Fundraising	-	600
Total supporting services	<u>9,750</u>	<u>50,825</u>
Total expenses	<u>1,411,100</u>	<u>1,179,858</u>
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	131,483	41,273
Forgiveness of PPP loan and accrued interest	-	122,757
CHANGE IN NET ASSETS	131,483	164,030
Net assets, beginning of year	280,802	116,772
Net assets, end of year	<u>\$ 412,285</u>	<u>\$ 280,802</u>

The accompanying notes are an integral part of these statements.

San Juan County Partnership, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2022

	<u>Program Expenses</u>			<u>Support Services</u>		<u>Total</u>
	<u>Substance abuse prevention</u>	<u>Housing assistance</u>	<u>Community prevention and wellness</u>	<u>Management and general</u>	<u>Fundraising</u>	
Expenses						
Bank charges	\$ -	\$ -	\$ -	\$ 261	\$ -	\$ 261
Communication	6,832	8,434	2,248	36	-	17,550
Employee benefits	20,778	8,016	4,864	450	-	34,108
Insurance	6,382	5,622	3,039	112	-	15,155
Membership and dues	362	99	-	407	-	868
Other	844	396	100	633	-	1,973
Payroll processing fee	249	3,832	1,875	434	-	6,390
Payroll taxes	20,020	12,387	6,294	7	-	38,708
Postage	324	317	139	2	-	782
Professional services	132,709	7,870	8	3,441	-	144,028
Program expenses	84,181	500,074	2,285	(1,016)	-	585,524
Rent	9,611	9,211	2,277	-	-	21,099
Salaries and wages	270,645	143,909	83,340	87	-	497,981
Supplies	13,566	10,436	3,543	4,745	-	32,290
Training	4,860	525	1,190	25	-	6,600
Travel	369	-	-	20	-	389
Utilities	1,962	2,289	821	-	-	5,072
Vehicle expense	309	1,719	188	106	-	2,322
Interest	-	-	-	-	-	-
Total expenses	<u>\$ 574,003</u>	<u>\$ 715,136</u>	<u>\$ 112,211</u>	<u>\$ 9,750</u>	<u>\$ -</u>	<u>\$ 1,411,100</u>

The accompanying notes are an integral part of this statement.

San Juan County Partnership, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2021

	<u>Program Expenses</u>			<u>Support Services</u>		<u>Total</u>
	<u>Substance abuse prevention</u>	<u>Housing assistance</u>	<u>Community prevention and wellness</u>	<u>Management and general</u>	<u>Fundraising</u>	
Expenses						
Bank charges	\$ -	\$ -	\$ -	\$ 362	\$ -	\$ 362
Communication	5,927	4,251	1,113	256	-	11,547
Employee benefits	16,173	8,133	2,954	5,300	-	32,560
Insurance	6,287	6,744	3,374	50	-	16,455
Membership and dues	379	-	-	1,267	-	1,646
Other	232	-	-	3,518	-	3,750
Payroll processing fee	-	535	-	359	-	894
Payroll taxes	15,220	9,937	5,586	1,637	-	32,380
Postage	440	168	53	80	-	741
Professional services	102,620	4,625	7,750	8,266	-	123,261
Program expenses	112,225	361,828	508	78	-	474,639
Rent	8,726	6,791	2,083	(1,400)	-	16,200
Salaries and wages	206,758	124,472	73,711	28,995	-	433,936
Supplies	6,165	3,016	937	588	600	11,306
Training	11,558	893	-	-	-	12,451
Travel	-	-	-	-	-	-
Utilities	866	3,020	233	(587)	-	3,532
Vehicle expense	1,314	1,106	322	99	-	2,841
Interest	-	-	-	1,357	-	1,357
Total expenses	<u>\$ 494,890</u>	<u>\$ 535,519</u>	<u>\$ 98,624</u>	<u>\$ 50,225</u>	<u>\$ 600</u>	<u>\$ 1,179,858</u>

The accompanying notes are an integral part of this statement.

San Juan County Partnership, Inc.
STATEMENTS OF CASH FLOWS
Year ended June 30,

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 131,483	\$ 164,030
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Gain on forgiveness of debt	-	(121,400)
Gain on sale of property and equipment	(1,000)	-
Change in assets and liabilities		
Increase in contracts receivable	(41,020)	(102,674)
Increase in other current assets	(12,279)	(820)
Increase (decrease) in accounts payable	(18,078)	9,767
Increase in accrued expenses	1,559	676
Net cash provided by (used in) operating activities	60,665	(50,421)
Cash flows provided from investing activities		
Proceeds from sale of property and equipment	1,000	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	61,665	(50,421)
Cash and cash equivalents, beginning of year	159,412	209,833
Cash and cash equivalents, end of year	\$ 221,077	\$ 159,412
Noncash investing and financing activities		
Forgiveness of PPP loan and accrued interest	\$ -	\$ 122,757

The accompanying notes are an integral part of these statements.

San Juan County Partnership, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This description of San Juan County Partnership, Inc.'s (the Organization) nature of activities and summary of significant accounting policies is presented to assist in understanding the Organization's financial statements.

1. *Purpose of the Organization*

San Juan County Partnership, Inc., a non-profit corporation, was incorporated under the laws of the State of New Mexico in 1993 for the purpose of providing a complete range of health and welfare services to the community of San Juan County, New Mexico. The Organization is located in Farmington, 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 an elected Board of Directors.

2. *Description of Services Provided*

The major program services or supports and functional activities directly provided or purchased by the Organization are:

Program Services

Substance Abuse Prevention provides a wide diversity of individual programs that prevent, reduce, and remediate drug and alcohol related behaviors in the community. Activities include, but are not limited to, designing and implementing prevention programs, policy development, public presentations, and monitoring program results and outcomes. Some of the individual programs include Office of Substance Abuse Prevention, Drug Free Communities, and local underage substance abuse prevention programs. Funding is provided by Federal, State and local sources.

Housing Assistance includes payments for eligible homeless individuals or those at imminent risk of homelessness for assistance with housing and utility charges. Funding is provided from the U.S. Department of Housing and Urban Development and New Mexico Mortgage Finance Authority.

Community Prevention and Wellness provides coordination of community health activities including development and participation in the Community Health Council, AmeriCorps, and assessment and planning. Funding is provided by Federal, State and local sources.

San Juan County Partnership, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. *Description of Services Provided (Continued)*

Supporting Services

Administration includes those activities necessary for planning, coordination and overall direction of the organization, financial administration, general board activities and other related activities indispensable to the Organization's corporate existence.

Fundraising is an organized program of activities consisting of raising money, creating public awareness and educating the public for the purpose of furthering our goal of providing a complete range of health and welfare services to the community.

3. *Basis of Accounting*

The Financial statements of the Organization have been prepared on the accrual basis, whereby revenues are recorded when services are performed and expenses are recognized when incurred.

4. *Use of Estimates*

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, support and expenses during the reporting period. Actual results could differ from those estimates.

5. *Subsequent Events*

The Organization has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through December 21, 2022, the date on which the financial statements were issued, and the Organization did not identify any events or transactions that would have a material impact on the financial statements.

6. *Cash and Cash Equivalents*

For purposes of the statement of cash flows, the Organization considers cash to be cash on hand and cash on deposit and money market accounts, subject to immediate withdrawal, and considers cash equivalents to be certificates of deposit with an original maturity of three months or less. The Organization maintains its cash balances in

San Juan County Partnership, Inc.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2022 and 2021

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. *Cash and Cash Equivalents (Continued)*

financial institutions, which at times, may exceed federally insured limits. The Organization maintains its money market account with an investment institution which is not federally insured. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

7. *Contracts and Grants*

Contracts and grants receivable are due according to contractual terms and are stated at the amount management expects to collect from outstanding balances. The Organization believes all receivables are collectible and that no allowance for doubtful accounts is necessary. The Organization writes off contracts and grants receivable when they become uncollectible. Payments subsequently received on such receivables, if any, are recorded as other revenue.

8. *Property and Equipment*

Property and equipment are reported at cost for purchased assets and estimated fair value, at date of receipt, for donated property. Any asset valued in excess of \$1,500 with a life expectancy of more than one year is capitalized. Depreciation is provided on the straight-line method over the following estimated useful lives:

	Years
Furniture, fixtures and equipment	5-7
Vehicles	5

9. *Revenue Recognition*

Revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services. Program revenue consists primarily of funds received from government grants and contracts, and other services. Billings for services are billed after the services are performed. As performance obligations are satisfied, revenue is recognized.

Performance obligations are determined based on the nature of the services provided. As performance obligations are satisfied over time, revenue is recognized based on when related services are performed. This method provides for the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligations. Transaction price is based on standard charges for services provided, which is set by the granting agencies.

San Juan County Partnership, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. *Accounting for Contributions*

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods, or are restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises to give, which do not state a due date, are presumed to be time-restricted by the donor until received and are reported as net assets with donor restrictions.

A donor restriction expires when a stipulated time restriction ends, when an unconditional promise with an implied time restriction is collected, or when a purpose restriction is accomplished. Upon expiration, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Restricted contributions received in the same year in which the restrictions are met are recorded as increase in net assets without donor restrictions.

11. *Income Taxes*

The Organization is operated as a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization recognizes tax liabilities when, despite the Organization's belief that its tax return positions are supportable, the Organization believes that certain positions may not be fully sustained upon review by tax authorities. Benefits from tax positions are measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement. The Organization has concluded there is no tax liability or benefit required to be recorded as of June 30, 2022. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. The Organization believes it is no longer subject to income tax examinations for the years prior to the year ended June 30, 2019.

12. *Functional Allocation of Expenses*

The costs of supporting various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain costs have been allocated to program and management and general based on estimates of number of employees per department, time and effort, square footage of the office and other methods.

San Juan County Partnership, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. *Recent Accounting Pronouncements*

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The most significant change for lessees is the requirement under the new guidance to recognize right-of-use assets and lease liabilities for all leases not considered short-term leases. Changes to the lessor accounting model include: (a) synchronizing key aspects of the model with the new revenue recognition guidance, such as basing whether a lease is similar to a sale or whether control of the underlying asset has transferred to the lessee and (b) prospectively eliminating the specialized accounting for leveraged leases. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The ASU will be effective for fiscal years beginning after December 15, 2019, with early adoption permitted. In November 2019, the FASB issued ASU 2019-10, which defers the effective date of ASU 2016-02 one year, making it effective for annual reporting periods beginning after December 15, 2020. In June 2020, the FASB issued ASU 2020-05, which allows certain entities the option to delay the adoption by one year, making it effective for annual reporting periods beginning after December 15, 2021. The Organization is in the process of evaluating the impact of this new guidance.

NOTE B – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 221,077	\$ 159,412
Contracts and grants receivable	<u>215,586</u>	<u>174,566</u>
	<u>\$ 436,663</u>	<u>\$ 333,978</u>

As a part of the Organization’s liquidity management, its goal is generally to maintain financial assets to meet 45 days of operating expenses. As part of the liquidity plan, excess cash is invested in short-term investments, including money market accounts.

San Juan County Partnership, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE C – CONTRACT AND GRANTS

Amounts receivable from fees for services are as follows at June 30,:

	2022	2021
Fees for service		
State of New Mexico	\$ 89,012	\$ 105,028
Contracts and other	<u>126,574</u>	<u>69,538</u>
	<u>\$ 215,586</u>	<u>\$ 174,566</u>

NOTE D – PROPERTY AND EQUIPMENT

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

	2022	2021
Furniture, fixtures and equipment	\$ 13,416	\$ 13,416
Vehicles	<u>23,169</u>	<u>45,824</u>
	36,585	59,240
Less accumulated depreciation and amortization	<u>36,585</u>	<u>59,240</u>
	\$ <u> -</u>	\$ <u> -</u>

Depreciation expense was \$0 for the year ended June 30, 2022 and 2021.

NOTE E – NOTES PAYABLE

On May 4, 2020, the Organization obtained an unsecured loan of \$121,400 through the Paycheck Protection Program (PPP) from a financial institution with a fixed rate of 1%. Under the CARES Act, the Organization must submit a Loan Forgiveness Application and meet various criteria as defined in the Paycheck Protection Flexibility Act, in order for the loan to potentially be forgiven. On June 16, 2021, the \$121,400 loan and accrued interest of \$1,357 were forgiven.

NOTE F – LEASES

The Organization leases office space under two operating leases. One lease expired on June 30, 2020 with an option to renew. The Organization exercised the renewal option. That lease expired on November 30, 2022 and is being paid on a month-to-month basis. The other lease was entered into on January 1, 2021 and expires on December 31, 2022. Total rent expense for operating leases for the years ended June 30, 2022 and 2021 was \$21,100 and \$16,200, respectively. Future minimum rental payments for this lease at June 30, 2022 are \$9,200 for the year ending June 30, 2023.

San Juan County Partnership, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE G – RETIREMENT PLAN

The Organization implemented a simple employee pension-individual retirement plan (SEP) in 2011. The Plan requires the Organization to contribute 1% of employee gross wages to eligible employees who have performed services in at least the previous 90 days up to the maximum legal limit. Employer contributions are fully vested upon contribution. The Organization made contributions to the Plan in the amount of \$0 and \$200 for the years ended June 30, 2022 and 2021, respectively.

NOTE H – FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated included salaries and wages which are allocated based on what is recorded per the approved time sheet. Rent, utilities, and maintenance costs are allocated by square footage per department. Telephone and computer expenses are allocated on the basis of number of employees per department. Depreciation expense is allocated based on expected use of the fixed asset per department.

Supplementary Information



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

Board of Directors
San Juan County Partnership, Inc.

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 San Juan County Partnership, Inc. (a nonprofit organization) (the Organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2022.

Report on 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Logan, Thomas + Johnson, LLC

Broomfield, Colorado

December 21, 2022



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

Board of Directors
San Juan County Partnership, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited San Juan County Partnership, Inc.'s (a nonprofit organization) (the Organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2022. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing

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

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

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

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

Logan, Thomas + Johnson, LLC

Broomfield, Colorado

December 21, 2022

San Juan County Partnership, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Passed through City of Farmington, NM:				
CDBG-Entitlement Grants Cluster				
Community Development Block Grant	14.218	21-142803I	\$ -	\$ 15,000
COVID-19 Community Development Block Grant	14.218	20-004CDBGCV	-	35,983
Subtotal City of Farmington, NM and CDBG-Entitlements Grants Cluster			-	50,983
Passed through State of New Mexico:				
Emergency Solutions Grant	14.231	21-02-SJC-RAP-001	-	67,355
COVID-19 Emergency Solutions Grant	14.231	20-02-SJC-CAR-001	-	176,888
Continuum of Care	14.267	NM0090L6B0011906	-	69,766
Continuum of Care	14.267	NM0090L6B0012007	-	135,296
Subtotal State of New Mexico			-	449,305
Total U.S. Department of Housing and Urban Development			-	500,288
U.S. Department of the Treasury				
Passed through New Mexico Community Trust				
Housing Stability Program	21.023	HSP-2022-0608	-	14,915
Total U.S. Department of the Treasury			-	14,915
U.S. Department of Health and Human Services				
Direct Programs:				
Substance Abuse and Mental Health Services Projects	93.243		-	287,892
Passed through State of New Mexico:				
Overdose Data to Action	93.136	DOHODAPREV20	-	10,800
Substance Abuse and Mental Health Services Projects	93.243	HSDSPF82301-02	-	168,579
Substance Abuse Prevention and Treatment Block Grant	93.959		-	118,151
Healthy Kids/Healthy Communities	93.991	NB01OT009236-01-00	-	55,024
Subtotal State of New Mexico			-	352,554
Total U.S. Department of Health and Human Services			-	640,446
Corporation for National and Community Service				
Passed through Tse Daa Kaan:				
Americorps	94.006	19TNHNM001	-	57,558
Total Corporation for National and Community Service			-	57,558
Total Expenditures of Federal Awards			\$ -	\$ 1,213,207

The accompanying notes are an integral part of this schedule.

(continued)

San Juan County Partnership, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND NOTES TO THE SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS- CONTINUED
Year ended June 30, 2022

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of San Juan County Partnership, Inc. under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of San Juan County Partnership, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of San Juan County Partnership, Inc.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

San Juan County Partnership, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

San Juan County Partnership, Inc.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended June 30, 2022

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

- Unmodified
- Qualified
- Adverse
- Disclaimer

Internal control over financial reporting:
 Material weakness(es) identified?
 Significant deficiency(ies) identified?

- Yes No
- Yes None reported

Noncompliance material to financial statements noted?

- Yes No

Federal Awards

Internal control over major federal programs:
 Material weakness(es) identified?
 Significant deficiency(ies) identified?

- Yes No
- Yes None reported

Type of auditor's report issued on compliance for major federal programs:

- Unmodified
- Qualified
- Adverse
- Disclaimer

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

- Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.231	Emergency Solutions Grant
93.243	Substance Abuse and Mental Health Services Projects

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

\$ 750,000

Auditee qualified as low-risk auditee?

- Yes No

San Juan County Partnership, Inc.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
Year ended June 30, 2022

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

San Juan County Partnership Inc.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended June 30, 2022

No matters were reported.

SAN JUAN COUNTY PARTNERSHIP, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Fiscal Period 7/1/2021 - 6/30/2022

Federal Awarding Agency/Program Title	Federal CDA Number	Additional Award Identification (Optional)	Name of Funder Pass-Through Entity	Identifying Number Assigned by Funder Pass-Through Entity	Total Amount Provided to Sub-Recipients	Federal Expenditures	Federal Program Total	Cluster Name	Cluster Total
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218		CITY OF FARMINGTON, NM	21-1428231	\$15,000	\$15,000	\$50,983	CDBG - ENTITLEMENT GRANTS CLUSTER	\$50,983
COVID-19 COMMUNITY DEVELOPMENT BLOCK GRANTS/ENTITLEMENT GRANTS	14.218		CITY OF FARMINGTON, NM	20-00ACZD8GCV	\$38,983	\$38,983	\$50,983	CDBG - ENTITLEMENT GRANTS CLUSTER	\$50,983
EMERGENCY SOLUTIONS GRANT PROGRAM	14.231		STATE OF NEW MEXICO	21-02-SJC-RAP-001	\$67,355	\$67,355	\$244,243	N/A	\$0
COVID-19 EMERGENCY SOLUTIONS GRANT PROGRAM	14.231		STATE OF NEW MEXICO	20-02-SJC-CAR-001	\$176,888	\$176,888	\$244,243	N/A	\$0
CONTINUUM OF CARE PROGRAM	14.267		STATE OF NEW MEXICO	MM0209260011905	\$50,766	\$50,766	\$205,062	N/A	\$0
CONTINUUM OF CARE PROGRAM	14.267		STATE OF NEW MEXICO	MM0209260012007	\$135,296	\$135,296	\$205,062	N/A	\$0
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					\$500,288	\$500,288			
DEPARTMENT OF TREASURY									
EMERGENCY MENTAL ASSISTANCE PROGRAM	21.023		NEW MEXICO COMMUNITY TRUST	HPI-2022-0608	\$14,915	\$14,915	\$14,915	N/A	\$0
TOTAL DEPARTMENT OF TREASURY					\$14,915	\$14,915			
DEPARTMENT OF HEALTH AND HUMAN SERVICES									
INJURY PREVENTION AND CONTROL, RESEARCH AND STATE AND COMMUNITY BASED PROGRAMS	93.136		STATE OF NEW MEXICO	DOH04DPREV20	\$10,800	\$10,800	\$10,800	N/A	\$0
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES, PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243		STATE OF NEW MEXICO		\$287,892	\$287,892	\$456,471	N/A	\$0
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES, PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE	93.243		STATE OF NEW MEXICO	HSDSPSE2301-02	\$168,579	\$168,579	\$456,471	N/A	\$0
BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE	93.999		STATE OF NEW MEXICO	N/A	\$118,151	\$118,151	\$118,151	N/A	\$0
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT	93.991		STATE OF NEW MEXICO	N80107002936-01-00	\$55,024	\$55,024	\$55,024	N/A	\$0
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					\$640,446	\$640,446			
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE									
AMERICORPS	54.006		TSE DAA KAJAN	197NHNK001	\$57,558	\$57,558	\$57,558	N/A	\$0
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					\$57,558	\$57,558			
TOTAL EXPENDITURE OF FEDERAL AWARDS					\$1,213,207	\$1,213,207			

Please Note:
italicized award lines indicate pass-through funding

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.