

NEW MEXICO PRIMARY CARE TRAINING CONSORTIUM
(a nonprofit corporation)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2022

NEW MEXICO PRIMARY CARE TRAINING CONSORTIUM
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DECEMBER 31, 2022

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NEW MEXICO PRIMARY CARE TRAINING CONSORTIUM
OFFICIAL ROSTER
DECEMBER 31, 2022

BOARD OF DIRECTORS

John Andazola, MD	President
Nora Lamartine, MD	Member
William "Mac" Bowen, MD	Member
Leandrita Ortega, MD	Member
Valory Wangler, MD	Member
Arthur Kaufman, MD	Member
Molly McCain, MD	Member
Oliver Hayes, DO	Member
Karen Vaillant, DO	Member
Jose Canaca, MD	Member
Elisa Wrede	Member



Mike Morones & Associates, LLC

Certified Public Accountants

America Counts on CPAs

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
New Mexico Primary Care Training Consortium

We have audited the accompanying financial statements of New Mexico Primary Care Training Consortium (a non-profit corporation), which comprise the statement of financial position as of December 31, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Mexico Primary Care Training Consortium as of December 31, 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.

Mike Morones & Associates, LLC

Silver City, New Mexico
September 26, 2023

NEW MEXICO PRIMARY CARE TRAINING CONSORTIUM
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals- Memo Only</u>
Assets			
Current Assets			
Cash	\$ 120,278	85,172	205,450
Federal Receivable	28,178	-	28,178
State Receivable	92,164	-	92,164
Contracts and Other Receivables	31,199	-	31,199
Prepays	4,704	-	4,704
Other Assets	-	-	-
Total Current Assets	<u>276,523</u>	<u>85,172</u>	<u>361,695</u>
 Total Assets	 <u>\$ 276,523</u>	 <u>85,172</u>	 <u>361,695</u>
 Liabilities and Net Assets			
Current Liabilities			
Accounts Payable	\$ 30,871		30,871
Deferred Revenue	-	85,172	85,172
Employee Benefits payable	2,227	-	2,227
Payroll Taxes Payable	6,786	-	6,786
Wages Payable	39,290	-	39,290
Total Current Liabilities	<u>79,175</u>	<u>85,172</u>	<u>164,347</u>
 Total Liabilities	 <u>79,175</u>	 <u>85,172</u>	 <u>164,347</u>
 Net Assets:			
Without donor restrictions	197,348	-	197,348
With donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Assets	<u>197,348</u>	<u>-</u>	<u>197,348</u>
 Total Liabilities and Net Assets	 <u>\$ 276,523</u>	 <u>85,172</u>	 <u>361,695</u>

The accompanying notes are an integral part of these financial statements.

NEW MEXICO PRIMARY CARE TRAINING CONSORTIUM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Totals - Memo Only
Support & Revenues:			
Public Support			
NMPCTC	\$ -	32,611	32,611
HSD		304,686	304,686
Memorial Medical		25,002	25,002
Rural Residency		313,499	313,499
MCC		20,087	20,087
DAC Psych		57,756	57,756
Other			-
Net assets released from restrictions			-
Restriction satisfied by payments	<u>753,641</u>	<u>(753,641)</u>	<u>-</u>
TOTAL PUBLIC SUPPORT	<u>753,641</u>	<u>-</u>	<u>753,641</u>
Non-operating revenue			
Sale of Assets	-	-	-
Interest Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-operating Revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total Support & Revenue	753,641	-	753,641
Expenses:			
Program services			
NMPCTC Programs	750,151	-	750,151
Other Program Related	<u>-</u>	<u>-</u>	<u>-</u>
Total Program Services	<u>750,151</u>	<u>-</u>	<u>750,151</u>
Total Expenses	<u>750,151</u>	<u>-</u>	<u>750,151</u>
Change in Net Assets	3,490	-	3,490
Net Assets, January 1, 2022	<u>193,858</u>	<u>-</u>	<u>193,858</u>
Net Assets, December 31, 2022	<u>\$ 197,348</u>	<u>-</u>	<u>197,348</u>

The accompanying notes are an integral part of these financial statements.

NEW MEXICO PRIMRARY CARE TRAINING CONSORTIUM
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>NMPCTC</u>	<u>HSD</u>	<u>Memorial Medical</u>	<u>Rural Residency</u>	<u>MCC</u>	<u>DAC Psych</u>	<u>Non Grant</u>	<u>Total</u>
EXPENSES								
Personnel Expenses	\$ 13,708	208,510	11,028	161,136	-	43,650	19,633	457,664
Supplies	1,229	5,666	2,227	2,826	-	3,952	-	15,900
Travel & Meetings	3,550	23,858	1,745	19,244	-	3,779	-	52,175
Contractual	-	48,911	1,192	104,555	20,087	2,808	-	177,553
Other Expense	11,004	17,742	4,690	13,025	-	396	-	46,858
Total Expenses	\$ <u>29,492</u>	<u>304,687</u>	<u>20,882</u>	<u>300,786</u>	<u>20,087</u>	<u>54,585</u>	<u>19,633</u>	<u>750,151</u>

The accompanying notes are an integral part of these financial statements.

NEW MEXICO PRIMARY CARE TRAINING CONSORTIUM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Cash Flows from Operating Activities:

Excess of Support & Revenue Over (Under) Expenses	\$ 3,490
Total Cash to Operating	<u>3,490</u>

Adjustments to Reconcile Operating Income to Net Cash:

Changes in Assets & Liabilities	
(Increase) Decrease in Federal Receivable	(15,113)
(Increase) Decrease in State Receivable	(74,338)
(Increase) Decrease in Grants and Contract Receivables	(19,864)
(Increase) Decrease in Prepaids	(3,079)
(Increase) Decrease in Other Asset	-
Increase (Decrease) in Accounts Payable	27,183
Increase (Decrease) in Deferred Revenue	57,570
Increase (Decrease) in Employee Benefits Payable	1,881
Increase (Decrease) in Payroll Taxes Payable	5,834
Increase (Decrease) in Wages Payable	<u>20,005</u>
Total Adjustments	80

Net Cash Provided by Operating Activities	<u>3,570</u>
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Net Cash Provided by Investing Activities	-
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Net Cash Provided by Financing Activities	-
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Net Increase (Decrease) in Cash	3,570
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Cash - Beginning of Year, January 1, 2022	<u>201,880</u>
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Cash - End of Year, December 31, 2022	<u><u>\$ 205,450</u></u>
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The accompanying notes are an integral part of these financial statements.

NEW MEXICO PRIMARY CARE TRAINING CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

New Mexico Primary Care Training Consortium (NMPCTC) is a nonprofit organization organized in June of 2013 under New Mexico non-profit corporate laws. The Organization is operated exclusively for charitable purposes and is exempt from federal taxation under Internal Revenue Code section 501 (c)(3).

The Organization's mission is to improve the quality of essential health services by supporting existing and developing new training opportunities to increase primary care workforce in New Mexico. Goals include creating a hub and spoke model for residents to complete rotations in several counties, enabling rural rotation relationships to be developed in every county statewide, the support of training, recruitment, and retention of primary care physicians in New Mexico, assistance in developing new residency programs and rotations as well as developing strong partnerships with UNM and regional medical schools.

Basis of Accounting

The financial statements of NMPCTC have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions, after adoption of ASU 2016-14.

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Contracts Receivable

Contracts receivable are stated at the amount management expects to collect from these outstanding balances. There is no allowance for doubtful accounts as it is determined that the entire balance is collectible. The Organization reports contracts from the Federal government separately from state and other local entities.

Property and Equipment

Fixed Assets with a cost of \$1,000 or more are recorded at acquisition cost or estimated historical cost if actual historical cost is not available. Donations of property and equipment are recorded as support at their estimated fair market value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with the

NEW MEXICO PRIMARY CARE TRAINING CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Currently, the Organization does not have any fixed assets.

Prepays

Prepays are advanced payments made by the Organization for goods or services to be received in the future.

Current Liabilities

Liabilities are considered current if they are expected to be paid within one year. The Organization includes accounts payable, deferred revenue, employee benefits payable, payroll taxes payable, and wages payable in the current liability section. Accounts payable is comprised of current amounts owed to vendors for goods or services received. Balances in accounts payable are usually paid within 30 days. Deferred revenue consists of grant monies received but not yet earned as of the end of the year. Employee benefits includes monies set aside to pay employee health, life, and disability insurance, as well as annual leave and retirement plan contributions accrued through December 31, 2022 (see notes 6 and 7). Payroll taxes are paid on a monthly and quarterly basis, so amounts accrued through the end of the year were paid by January 31, 2023. Wages payable is calculated based on wages earned by employees through December 31, 2022 that have not been paid as of the end of the year.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program served.

Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income Tax Status

The Organization is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code; however, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. This Organization does not have any unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization other than a private foundation under Section 509 (a)(2). All income tax returns, which include Form 990, "Return of Organization Exempt from Income Tax", have been currently filed through December 31, 2022.

NEW MEXICO PRIMARY CARE TRAINING CONSORTIUM
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2022

Public Support Revenue

Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. Unconditional promises to give are recorded as received. There is no recording for unconditional promises not yet received, as fund raising is not reflected for long-term promises. The majority of public support is received as a result of state and local grants and contracts.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires; that is, when stipulated time resolutions ends or purpose is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NOTE 2 – CASH

For purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

<u>Description</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Western Bank	120,278	85,172	205,450
Total	<u>\$ 120,278</u>	<u>85,172</u>	<u>205,450</u>

NOTE 3 – FEDERAL & STATE RECEIVABLES

The amount of federal and state receivables recognized in the Financial Statement consists of revenue earned but not yet received as of December 31, 2022. No allowance for doubtful accounts has been provided based on management’s certainty of collection.

NEW MEXICO PRIMARY CARE TRAINING CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

<u>Description</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
HSD	92,164		92,164
Rural Residency Planning & Devlp.	28,178		28,178
Total Net Federal & State Receivable	<u>\$120,342</u>		<u>120,342</u>

NOTE 4 – GRANT AND CONTRACT RECEIVABLES

The amount of contract receivables recognized in the Financial Statement consists of revenue earned but not yet received as of December 31, 2022. No allowance for doubtful accounts has been provided based on management’s certainty of collection.

<u>Description</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Center for Health Innovation	\$13,126		13,126
Memorial Medical Center	12,312		12,312
Small Grants/Contracts	<u>4,761</u>		<u>4,761</u>
Total Net Contracts Receivable	<u>\$ 31,199</u>		<u>31,199</u>

NOTE 5 – SIGNIFICANT CONCENTRATION OF CREDIT RISK

The Organization has concentrated its credit risk for cash by maintaining deposits in a bank located in one geographic region. The bank accounts of the Organization are secured by the Federal Deposit Insurance Corporation (F.D.I.C.) up to \$250,000. At December 31, 2022, deposits of \$205,450 were fully insured by this coverage.

NOTE 6 – WAGES PAYABLE, ANNUAL LEAVE AND SICK PAY

Administrative and staff personnel accumulate annual leave based on the number of years of service they have with the organization. Upon termination an employee is paid for their

NEW MEXICO PRIMARY CARE TRAINING CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

accumulated annual leave unless the employee fails to comply with the Organization’s policies. 70 hours of sick leave are granted to each full-time employee at the beginning of each calendar year. Part time employees accrue sick leave at the rate of one hour per thirty hours worked. Each employee may carry over all unused accrued sick leave from year to year, but may not use more than 70 hours in a 12-month period. The Organization accrues the entire liability because they anticipate full compliance with applicable policies. The accrued liability for annual leave and sick pay was \$27,503 as of December 31, 2022. The accrued liability balance of wages payable was \$11,787 at year end.

NOTE 7 – RETIREMENT PLAN

Effective February 1, 2016 the Organization established a SIMPLE retirement plan. Authorized under Internal Revenue Code Section 408 (p), the Plan includes a non-elective 2% employer contribution for any employee that is expected to earn \$5,000 during the year. The accrued liability for the retirement plan payable is \$1,485 for December 31, 2022.

NOTE 8 – FUNDING CONCENTRATIONS

The Organization receives the majority of its funding from the State of New Mexico, Federal grants, and from Other Contract Revenue. Below is a breakdown of revenue by funding source.

<u>Grantee</u>	<u>Amount</u>	<u>Percent</u>
HSD	\$ 304,686	_____
Total State of New Mexico Grants	<u>304,686</u>	<u>41%</u>
Rural Residency	313,499	_____
Total Federal Grants	<u>313,499</u>	<u>42%</u>
NMPCTC	32,611	
Memorial Medical	25,002	
MCC	20,087	
DAC Psych	<u>57,756</u>	_____
Total Other Contract Revenue	<u>\$ 135,456</u>	<u>17%</u>

NEW MEXICO PRIMARY CARE TRAINING CONSORTIUM
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 9 – RELATED PARTY TRANSACTIONS

There were no related party transactions involved with the Organization.

NOTE 10 – CONTINGENCIES

The Organization receives financial assistance from state and other sources in the form of grants and contracts. The funds received are generally limited to specific compliance requirements as specified in the grant agreement. The agencies reserve the right to review the scope of the audit and conduct a follow-up review if deemed necessary. Any disallowed claims resulting from such audits could become a liability of the Organization. The Organization, however, believes that liability resulting from disallowed claims, if any, will not have a material affect on the financial position.

As of December 31, 2022, and through the date of this report September 26, 2023 the Organization is not aware of any other pending contingencies which would have a material adverse effect on the agency.

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events were evaluated through September 26, 2023 which is the date the financial statements were available to be issued.

NOTE 12 – FINANCIAL STATEMENT PRESENTATION

The financial statements were prepared by Mike Morones & Associates, LLC, a certified public accounting firm.