HINKLE + LANDERS

Certified Public Accountants + Business Consultants

2025 Audit Exit Presentation

Communications With Those Charged With Governance



Presented by:

Farley H. Vener, CPA, CFE, CGMA

President & Managing Shareholder

This communication is intended solely for the information and use of management and those charged with governance and is not intended to be and should not be used by anyone other than these specific parties.

HINKLE + LANDERS

Today's Agenda

- Introduction
- Auditor's Communication
- Results & Findings
- Best Practices
- Recommendations
- Wrap Up

lifeROOTS

Introduction (Engagement Team)



PARTNER IN-CHARGE
Farley Vener
CPA, CFE, CGMA
President and Managing Shareholder



AUDIT MANAGER IN-CHARGE
Cosmina Hays
CPA, CGFM, MBA
Audit Manager



AUDIT STAFF
Karina Segura

Shared Commitment for a Smooth Audit

We believe clear communication of the audit process is key and that includes setting up mutual expectations of the responsibilities of the auditors, management, and governance, to create a harmonious and productive work environment.



ALIGN & PLAN
Define responsibilities, audit scope, and key timelines.

KICKOFF & DIALOGUE
Initiate two-way dialogue at our formal kickoff meeting.

MANAGE & UPDATE
Provide continuous progress updates and immediate notice of emerging issues.

CONCLUDE & REPORT
Discuss findings and considerations in a comprehensive exit conference.



Our Commitment to You

- **Proactive Management:** A clear PBC roadmap with tracing and ongoing coordination to resolve open items
- **Transparent Communication:** Immediate notification of proposed adjustments or potential findings.



How You Can Help Us Succeed

- **Timely Deliverables:** Accurate and prompt delivery of requested items (PBCs).
- **Active Engagement:** Participation in status meetings and timely review of drafts to clear roadblocks.

We believe clear communication of the audit process is key and that includes setting up mutual expectations of the responsibilities of the auditors, management, and governance, to create a harmonious and productive work environment.

Assurance (Attest) Services

(What We Provide An Opinion On)

Financial Statements



Independent assurance that the financial statements are presented fairly, in all material respects. In accordance with applicable auditing and governmental standards.

Key Areas Evaluated



Evaluated for appropriateness, reasonableness, and GAAP/FASB compliance

- Significant accounting policies
- Significant accounting estimates and judgments
- Financial statement presentation and disclosures

Our Risk-Based Approach

(How We Audit)

Understand



Deeply understanding the client's environment and internal controls.

Assess



Identify and assess risks of material misstatement.

Respond



Design and perform responsive audit procedures.

Non-Attest Services

Drafting of Financial Statements



Assist with drafting the Financial Statements, note disclosures based on information provided by management.

- Assist with **Form 990** reporting, as applicable.
- Assist with **Leases** under ASC 842.

Safeguards Required





We perform non-attest services **only when safeguards are in place** and independence is maintained.

Independence Safeguards

Management Responsibility



Management remains responsible for the financial statements, disclosures, and tax filings, including related judgements and approvals.

Designated Oversight



Management will designate an appropriate individual to oversee our non-attest services, evaluate the results, and accept responsibility.

The Rules of Engagement: Who Does What?

Management & Governance Responsibility: The audit does not relieve management or those charged with governance of their responsibilities for the financial statements.

Topic	Governance (TCWG)	Management	Auditor
Internal Control	Set oversight and ask about deficiencies.	Design, implement, and monitor internal control. (FS free from material misstatement).	Understand, test selected controls; report deficiencies.
Fraud Discussions	Share fraud concerns and oversight approach.	Establish anti-fraud programs; respond promptly.	Inquire, assess risks, communicate suspected fraud.
Significant Estimates	Challenge judgments; consider potential bias.	Develop supportable estimates; disclose methods.	Evaluate methods, assumptions, and disclosures.
Records Access	Ensure auditor unrestricted access to financial information and related information.	Provide the records, explanations, and unrestricted staff access.	Request needed records; maintain confidentiality.

The Rules of Engagement: Who Does What?

Management & Governance Responsibility: The audit does not relieve management or those charged with governance of their responsibilities for the financial statements.

Topic	Governance (TCWG)	Management	Auditor
Findings, Recommendations, and Comments	Review significant findings, challenge management's corrective action plan, and monitor remediation.	Develop and implement corrective actions, document support, and report remediation status to TCWG.	Communicate findings and recommendations timely and evaluate implications for audit approach and reporting.
Written Representations	Acknowledge oversight; review representation letter.	Sign representation letter; assert responsibilities at conclusion of the engagement.	Obtain letter; evaluate consistency with evidence.

Limitations of the Audit Relating to Fraud
What the Audit Does (and Doesn't) Do

Clarifying expectations reduces risk and friction

Fraud vs. Error: Why Fraud is Different

- **Higher risk of not detecting a material misstatement due to fraud compared to error.**
- Fraud may involve:
  - Collusion
  - Forgery
  - Intentional Omissions
  - Misrepresentations
  - Override of Internal Controls





Role of Governance

- Maintain active awareness of **fraud risk and indicators**
- Set the tone by **overseeing internal control effectiveness**—the primary defense against material misstatements

Required (Baseline Expectations)

- **Management designs and implements** anti-fraud programs and controls.
- Governance sets **tone at the top** and provides oversight of the financial reporting process.
- Auditor inquires, assesses fraud risks, and performs audit procedures responsive to those risks.

Not Required (Common Misconceptions)

- Does not provide assurance on the effectiveness of internal control
- Provides **reasonable, not** absolute assurance—fraud can exist and still not be detected
- **Management** is responsible for fraud prevention and detection; **the audit is not a control**

Auditor's Communications (AU-C 260)
Final Audit Plan and Risk Assessment

Significant Areas	Purpose and Risk Associated with Area (What Can Go Wrong)	Level of Risk Assessed	Audit Response (Audit Procedures to be Performed) Tests of Controls, Tests of Details, Balance Testing, Cutoff Controls, and Others
• **Audit Planning and Strategy,** • **Entity Level Controls and** • **IT Systems**	To deter and detect material misstatements, we will update our understanding of the control environment, risk assessment, monitoring, information and communications designed to prevent/detect fraud. • We will evaluate information in determining our overall all audit approach of testing (including IT systems).	Moderate	**Team Planning Meeting**—Established entity risks, priorities, and key focus areas with attention to governance, fraud risk, and significant transactions. **Preliminary Analytics**—Identified unusual trends or outliers in financial data and focus audit effort on areas of potential misstatement or concern. **Walkthroughs of Controls Over Financial Reporting**—Mapped key processes and controls and how they are designed to prevent or detect material misstatements. **IT Risk Assessment**—Assessed data accuracy, security, and reliability, data integrity, access controls and proper financial reporting.

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Fraud Risks, Including Risk of Management Override/ Segregation of Duties	Management override is a presumed fraud risk. Management is in a unique position where they are responsible for the design and implementation of controls over these financial reporting processes, while also being able to circumvent controls in order to realize personal gain, insert bias, or otherwise manipulate financial information.	Moderate	**Required by AICPA Professional Standards** **1. Identified and assess risks of material misstatement due to fraud**—including the required presumption of management override risk. **2. Maintained professional skepticism throughout the audit**—Including unpredictable procedures to help detect fraud. **3. Conducted engagement team fraud discussions (brainstorming)**—Inquiries of management and others about fraud risks, suspected fraud, and controls in place. **4. Perform procedures to address management override of controls**—Tested journal entries. **5. Evaluated segregation of duties and internal controls**—Designed additional procedures where weaknesses are identified.

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Revenue Recognition: • **Receivables,** • **Revenues,** • **Deferred Revenue,** • **Cash Receipts, and** • **Allowances**	• There is a presumed risk of fraud related to revenue. Revenue recognition under ASC 606 and (Contracts and other exchange transactions) and 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made can be complex, including the appropriate cut-off and completeness of revenues. • Risk of unrecorded receivables as well as prior year receivables not relieved when revenue is received. • Risk of cash recorded as revenue when it should be deferred revenue.	High	**Revenue/Receivables:** (Grants, contracts, etc.) tested for accuracy and completeness and proper cut-off. • Searched subsequent cash receipts for unrecorded receivables to determine proper valuation and existence of outstanding receivables (financial close). • Reviewed analysis of allowance for uncollectible accounts with methodology and accuracy of inputs • Reviewed for Improper revenue recognition when it is unearned. • Tested internal controls of approvals and segregation of duties over revenue (cash receipts) and deposits (random and significant sampling). **Funding Source Analytical:** Reviewed Statement of Activities by funding source and associated expenses—including properly allocated indirect costs—were reasonably matched to the corresponding revenue.

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Expenses: • **Accounts Payable** • **Prepaid Assets** • **Payroll, Related Liabilities** • **All Expenditures, Including Payroll** • **Functional Allocation of Expenses (Significant Estimate)**	• Accounts payable may be understated due to unidentified obligations at year-end or overstated due to the lack of the release of obligations when paid. • In-kind donations and exchange of facility for services, compensated absences at year end and functional allocation of expenses are based on an estimate. • High volume of transactions and their liquidity.	High	• Tested accounts payable for accuracy at year end and search subsequent cash disbursements (after fiscal year end) for unrecorded accounts payable (financial close). • Tested substantive and internal controls over expenditures, (cash disbursements), including a random sample and significant selection of transactions from the entire population. Perform additional tests of credit card purchases, per diem, travel and reimbursements to staff. Tests included review for approvals and detailed itemized receipts (fraud risk). **Payroll Testing:** Random sample of employees' paychecks. Reviewed approved payrates, and timesheets, I-9s, (fraud risk) and ensure information was consistent with actual pay. • Analytical review of payroll, including reconciliation of 941 to the general ledger. **Functional Allocation of Expense**: Reviewed the allocation methodology including key assumptions, such as cost drivers other inputs factors.

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Cash and Cash Equivalents	The risk of material misstatement of cash is significant because of size and liquidity of cash as well as the number of transactions impacting account.	Moderate	• Confirmed balances from bank accounts. Combined with testing of cash receipts and cash disbursements. • Reviewed outstanding deposits and checks on bank reconciliations for timeliness, recalculated FDIC coverage, and independently confirmed ending balances with bank (financial close). Tested for responsibility by the preparer and documentation that a responsible official (internal controls) has reviewed the bank reconciliation report (financial close).
Investments and Beneficial Interest in Charitable Trusts	The risk of material misstatement of investments is significant because of their size and complexity.	Moderate	• Reviewed the charitable trust agreements and confirmed the donor restrictions and the funds held without any donor restrictions. • Review all monthly and year-end statements, recalculated the activity and reconciled to the general ledger (financial close). Level 3 valuation—Unobservable inputs would include the amount and timing of future distributions from the trust. • Reviewed the present value of future cash flows to the beneficiary calculation which includes calculating the 5% beginning of assets, 40% of entire asset less 40% of estimated liabilities of the Charitable Remainder Unitrust (CRUT) and 16.67% valuation of entire asset for the additional irrevocable trust. (financial close).

Auditor's Communications (AU-C 260) Final Audit Plan and Risk Assessment

Significant Areas	Purpose and Risk Associated with Area (What Can Go Wrong)	Level of Risk Assessed	Audit Response (Audit Procedures to be Performed) Tests of Controls, Tests of Details, Balance Testing, Cutoff Controls, and Others
• **Property and Equipment** • **Right-of-Use Leases and Liabilities** • **Depreciation and Amortization**	Property and equipment are significant due to their large account balances and susceptibility to improper classification, existence and cutoff, including leased assets.	Moderate	• Agreed property and equipment, including leased assets and accumulated depreciation/amortization balances to general ledger (financial close). • Searched for unrecorded fixed assets in expense accounts, test capital additions, recalculated depreciation, and review for formula errors. • Tested for completeness of leases for proper recording of transactions and year-end balances and proper disclosures.
Long-term Debt/Debt Covenants	There is that risk of debt-related transactions were not accurately recorded under U.S. generally accepted accounting principles. Including lease liabilities	Moderate	Tested for completeness of debt and proper recording of transactions and year-end balances. Test debt compliance and confirmed balances with third parties and/or statements (financial close).
Lease Liabilities	There is that risk of debt-related transactions were not accurately recorded under U.S. generally accepted accounting principles. Including lease liabilities	Moderate	Tested for completeness of debt and proper recording of transactions and year-end balances. Tested debt compliance and confirmed balances with third parties and/or statements (financial close).

Auditor's Communications (AU-C 260)
Final Audit Plan and Risk Assessment

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Net Assets (Equity)	• Risk that beginning equity does not reconcile to the prior year's ending equity. • Risk that donor restrictions are not properly traced and presented according to revenue recognition rules.	Moderate	Reconcile equity and reviewed perpetual and temporary donor restrictions for accuracy and relation to revenue recognition.
Financial Reporting, Including Note Disclosures and Final Review	There is a risk of material inaccuracies in preparing FS and note disclosures including omission of significant disclosures.	Moderate	**Assigned Experienced Auditors**—to critical areas. Ensured underlying detailed information accurately reconciled and supported amounts/ balances that are relied upon to prepare financial statements. Assisted in preparing FS and note disclosures. **Review Process**: The financial statements and note disclosures underwent a comprehensive review process, including: **Partner Review**: A thorough examination by a partner to ensure accuracy and completeness. **Independent Review**: An additional review by an auditor experienced in nonprofit financial reporting, as required by our firm's engagement quality control standards and *Government Auditing Standards* .

Auditor's Communications (AU-C 260) Significant Estimates

Estimate	Management's Determination Process	Hinkle + Landers' Conclusions Regarding Reasonableness
Allocation of Expenses between Program, Administration and Fundraising	Identified indirect costs that benefit more than one function based on appropriate cost driver	Reasonable in relation to the financial statements as a whole
In-Kind Donations Valuations	Based on current prices for identical or similar products in the geographical area	Reasonable in relation to the financial statements as a whole
Allowance for Uncollectible Accounts	Based on historical loss information, current conditions and reasonable and supportable forecasts of receivables	Reasonable in relation to the financial statements as a whole
Valuation of Beneficial Interest in the Charitable Trusts	Calculated using present value of future cash flows with discount rates	Reasonable in relation to the financial statements as a whole
Depreciation / Amortization	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole
Leased Assets/Liabilities	Evaluation of leases by management and incremental borrowing rate used for present value calculation	Reasonable in relation to the financial statements as a whole

Auditor's Communications (AU-C 260) Required Communications

COMMUNICATIONS	CONCLUSION
Accounting Practices	Accounting policies are disclosed in Note A of the financial statements and appear appropriate.
Proposed Adjustments	9 (1 reclass)
Adjustments Provided by Client	2
Adjustments for Presentation Purposes Only	None
Passed Adjustments-Because of Immateriality	None
Disagreements with Management	None
Management's Consultations with Other Accountants	Aware of None
Discussion of Accounting Issues Prior to Retention	None
Significant Difficulties in Performing the Audit	None
Financial Statement Disclosure Highlights	Functional expense allocation presentation updated

Results & Findings

Auditor's Opinion

Financial Statements – Unmodified

	Findings	Status of Current and Prior Year Findings	Type of Finding
PRIOR YEAR			
2024-001 [2023-001]	Review and Approval of Journal Entries	Resolved	B
2024-002	Disbursement and Bank Transfer Approvals	Prior Year	B
CURRENT YEAR			
2025-001 [2024-002]	Disbursements Approvals	Modified, repeated from prior year	B

* Legend for Type of Findings

A. Material Weakness in Internal Control Over Financial Reporting

B. Significant Deficiency in Internal Control Over Financial Reporting

C. Finding that Does Not Rise to the Level of a Significant Deficiency (Other Matters) Involving Internal Control Over Financial Reporting

D. Instance of Material Non-compliance

Recommendations and Comments

🕒 PAYROLL TIMESHEET APPROVAL

Recommend: Require the employer to sign each timesheet before payroll is processed and retain signed timesheets with the payroll support.

Why: During payroll review, timesheets were not signed by the employer, indicating payroll hours were processed without documented approval. This increases the risk of unauthorized or inaccurate payroll payments and supports stronger authorization controls.

🚙 FIXED ASSET AND VEHICLE LIST DISPOSAL UPDATES

Recommend: Reconcile the fixed asset and vehicle fleet lists at least annually and update records promptly when vehicles are disposed, including documenting disposal approval and removal from the active list.

Why: During fixed asset review, one car remained on the vehicles list even though it was no longer in the fleet and was disposed of in the current year. This increases the risk of misstated fixed assets and depreciation and supports accurate asset tracking and reporting.

Recommendations and Comments *(continued)*

💵 PETTY CASH YEAR-END RECONCILIATION AND CUTOFF

Recommend: Reconcile petty cash at the end of June and record all petty cash expenses for that fiscal year in the general ledger before closing.

Why: At the end of June, petty cash was not reconciled and all expenses for that fiscal year were not entered in the GL. This increases the risk of incomplete expense recognition and inaccurate year-end financial reporting.

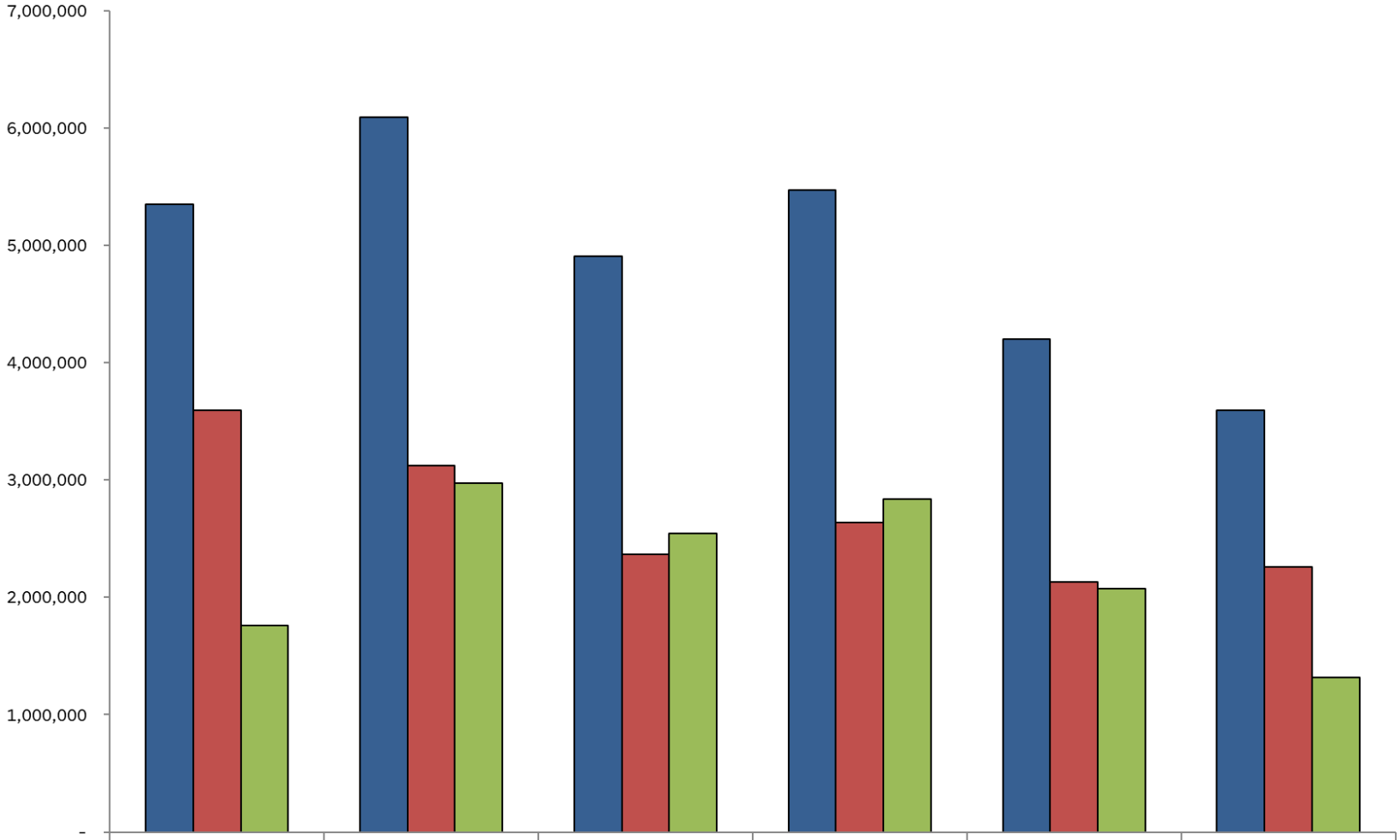
📚 GENERAL LEDGER COMPLETENESS OF ACCOUNTS

Recommend: Ensure all accounts with balances are included in the general ledger and perform a periodic reconciliation of external schedules/accounts to the GL, with review and sign-off.

Why: BMO MM had a balance, but it was not in the GL, indicating an account balance was omitted from the general ledger. This increases the risk of incomplete financial reporting and supports accurate account presentation and reconciliation discipline.

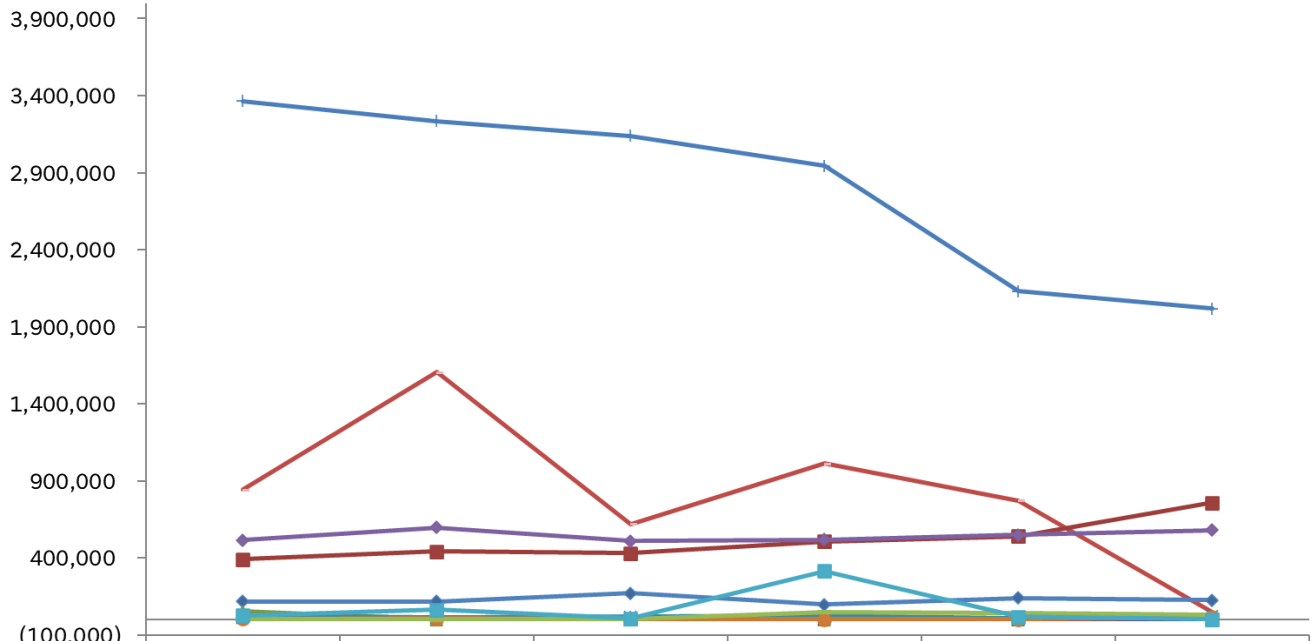
Note: Updated Articles of Incorporation did not appear to have been filed with the state.

Balance Sheet Analysis



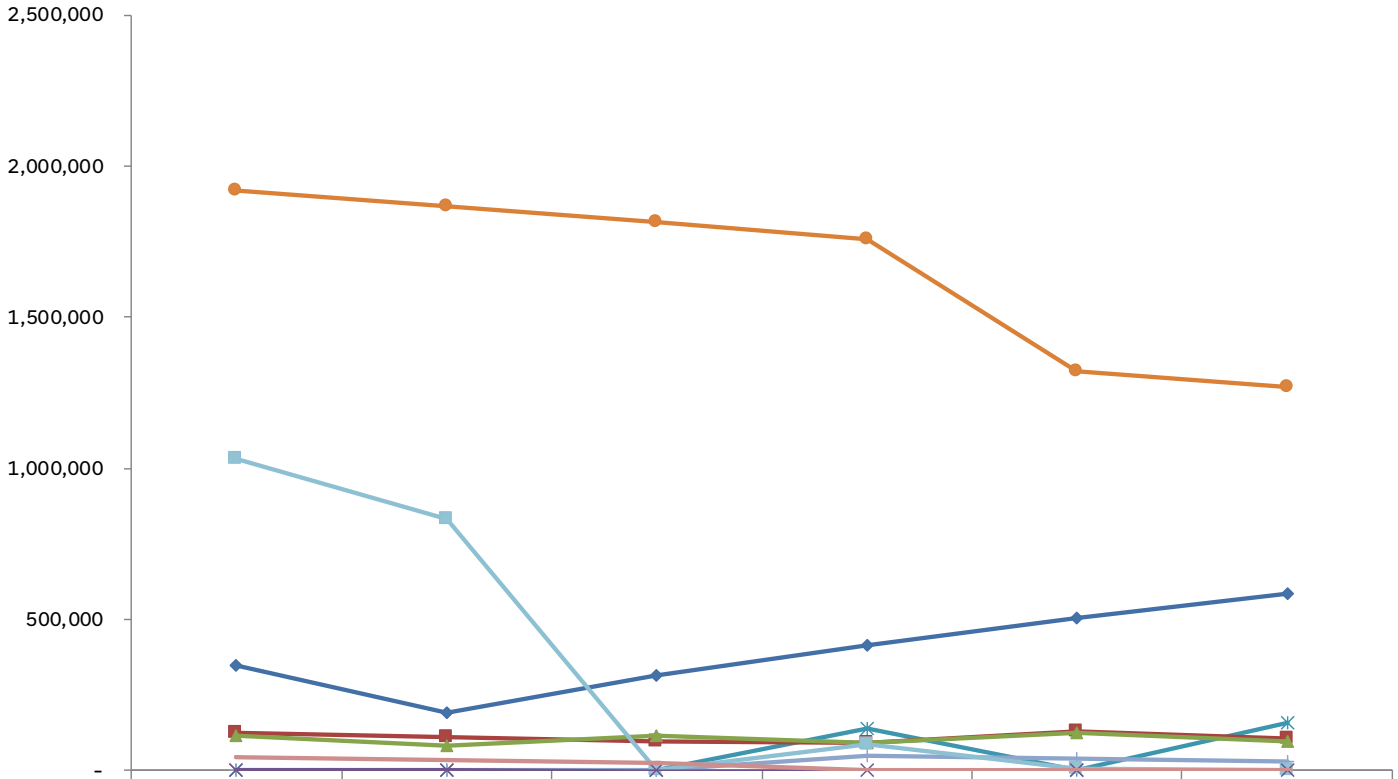
	2020	2021	2022	2023	2024	2025
Assets	5,348,777	6,091,291	4,907,221	5,472,540	4,201,667	3,594,629
Liabilities	3,591,652	3,122,322	2,365,757	2,634,857	2,130,351	2,256,226
Total Net Assets	1,757,125	2,968,969	2,541,464	2,837,683	2,071,316	1,318,126

Assets Over Time



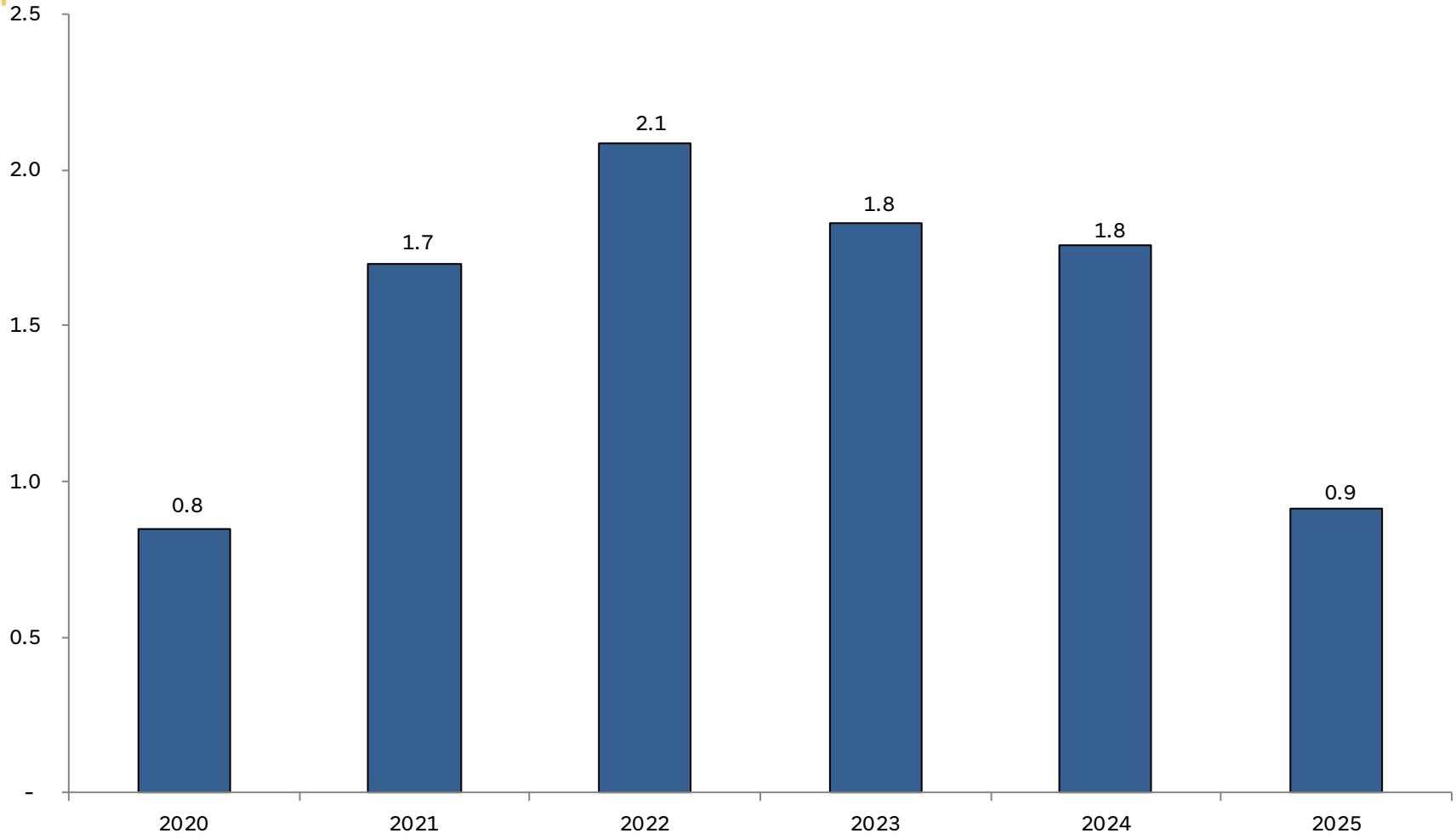
	2020	2021	2022	2023	2024	2025
Cash, Restricted Cash, and Cash Equivalents	842,353	1,606,287	618,911	1,012,106	772,812	45,511
Accounts Receivable, Less Allowance for Uncollectible Accounts	118,217	117,074	170,284	96,380	140,633	124,834
Contracts Receivable	390,506	440,654	431,386	507,054	539,715	759,170
Unconditional Promises to Give	52,875	-	-	-	-	-
Inventories	10,330	9,055	8,787	6,414	-	-
Prepaid Expenses	25,975	14,850	19,286	24,622	8,367	21,037
Investments	3,928	7,739	4,576	1,840	1,791	16,515
Property and Equipment, Net	3,364,591	3,235,510	3,138,100	2,942,879	2,129,746	2,017,641
Right-to-Use Leased Assets, Net	-	-	-	49,204	39,876	30,211
Beneficial Interest in Charitable Trusts	514,131	596,176	509,179	518,637	549,442	579,710
Agency Trust Deposits	25,871	63,946	6,712	313,404	19,285	-
Total Assets	5,348,777	6,091,291	4,907,221	5,472,540	4,201,667	3,594,629

Liabilities Over Time



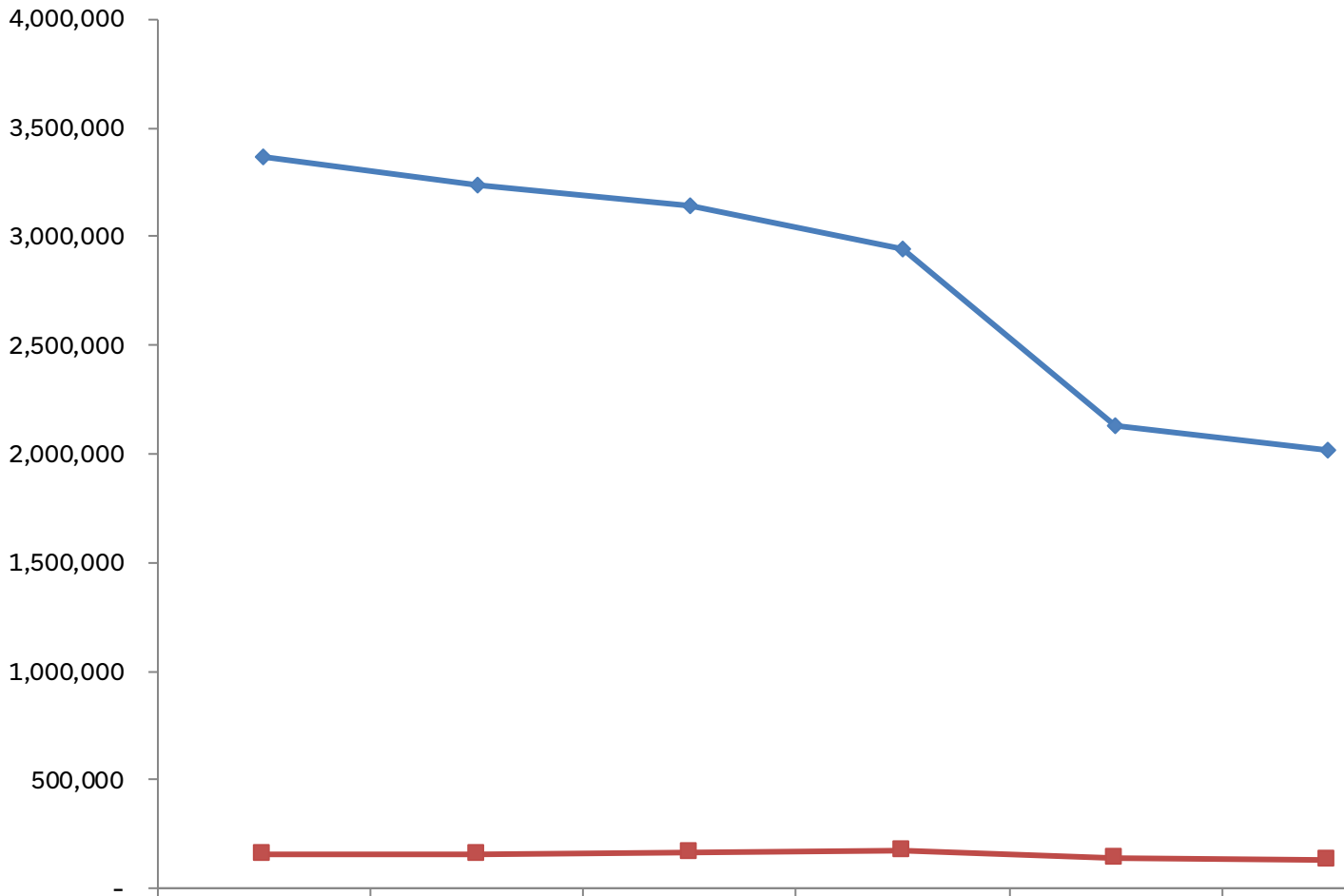
	2020	2021	2022	2023	2024	2025
Notes Payable	1,921,174	1,869,467	1,814,861	1,757,493	1,323,535	1,271,741
Accounts Payable	349,194	192,331	313,866	416,462	505,786	584,996
Line of Credit	-	-	-	140,000	-	160,000
Payroll and Payroll Related Liabilities	124,852	110,988	95,518	92,283	130,927	107,497
Accrued Compensated Absences	117,457	81,519	115,751	93,679	123,741	98,913
Obligations Under Operating Lease	-	-	-	49,204	39,876	30,211
Refundable Advances	1,032,110	831,869	-	85,736	6,486	2,868
Other Liabilities	455	1,081	-	-	-	-
Obligations Under Finance Lease	46,410	35,067	25,761	-	-	-
Total Liabilities	3,591,652	3,122,322	2,365,757	2,634,857	2,130,351	2,256,226

Current Ratio (Current Assets / Current Liabilities)



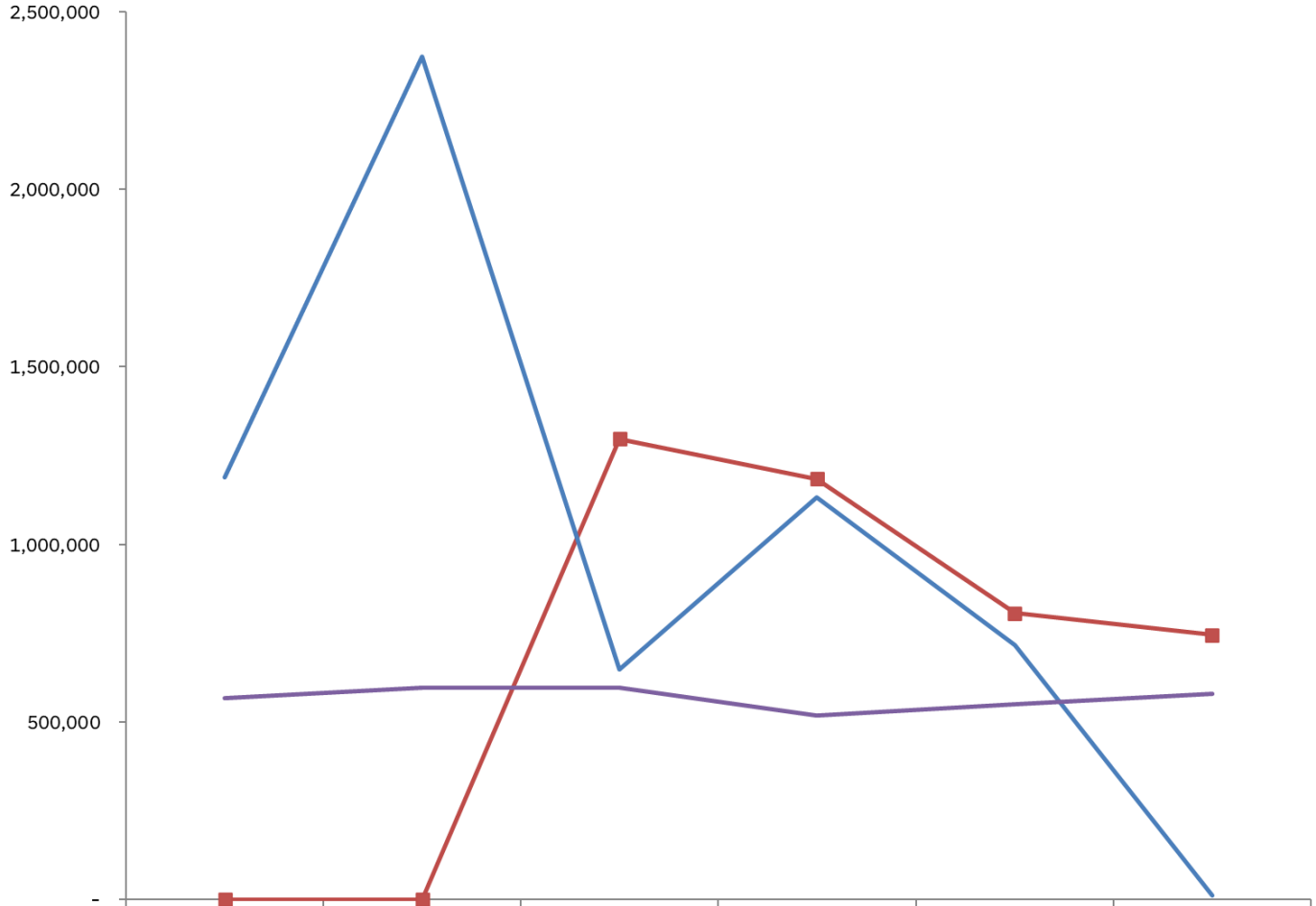
Typically, an ideal current ratio varies between 1.5 to 3. If in this range, the organization expects to have a reasonable safety margin to meets its liabilities while using its capital effectively. Current ratios are usually made up of cash, cash equivalents, receivables, inventory, short-term investments. If current liabilities exceed current assets (the current ratio is below 1), then the organization may have problems meeting its short-term obligations. In certain situations, organizations should consider investing excess current assets into middle and long-term objectives.

Property, Equipment, Depreciation and Amortization



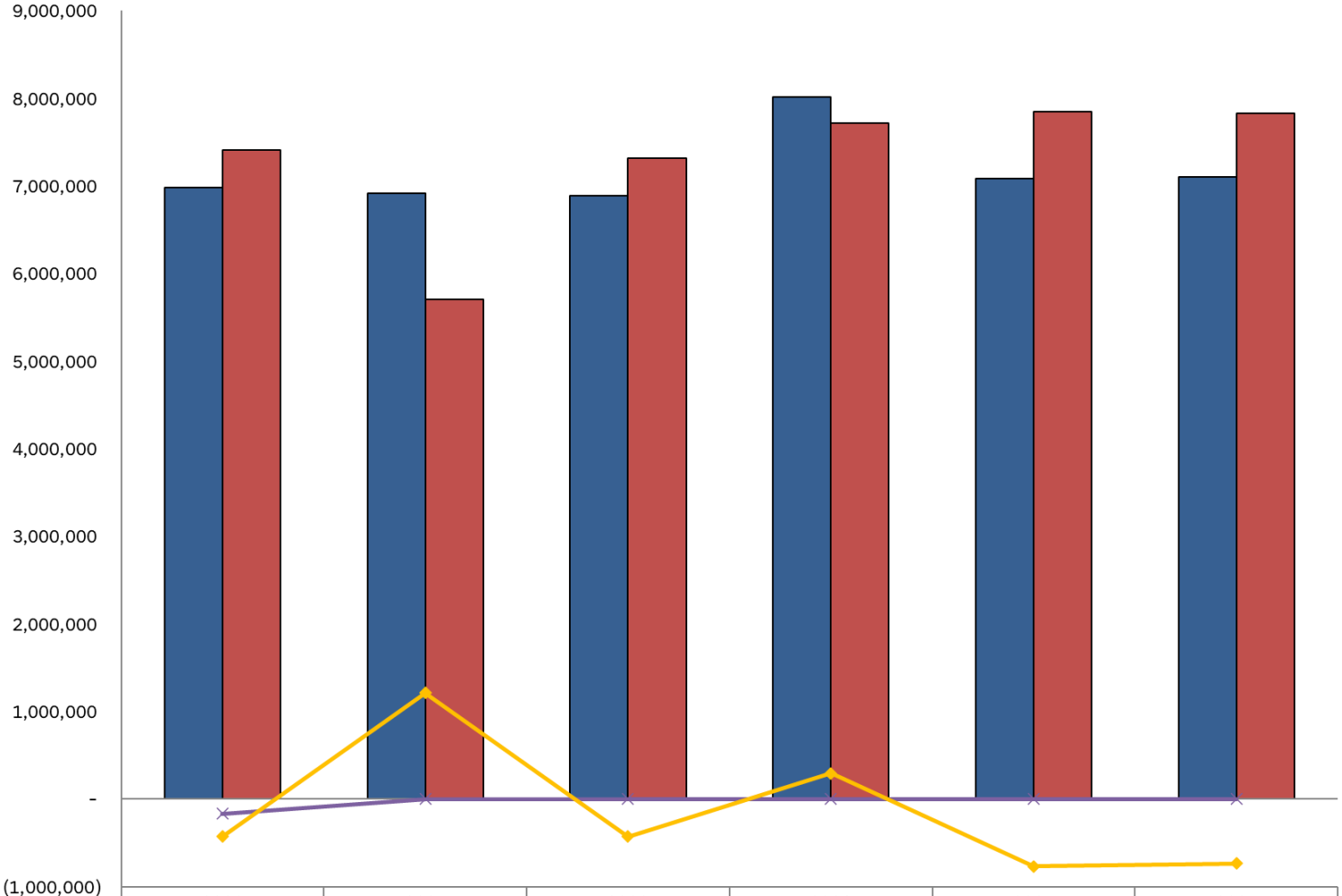
	2020	2021	2022	2023	2024	2025
Property and Equipment, Net	3,364,591	3,235,510	3,138,100	2,942,879	2,129,746	2,017,641
Depreciation and Amortization	158,877	160,945	169,044	175,722	143,952	130,267

Net Assets Over Time



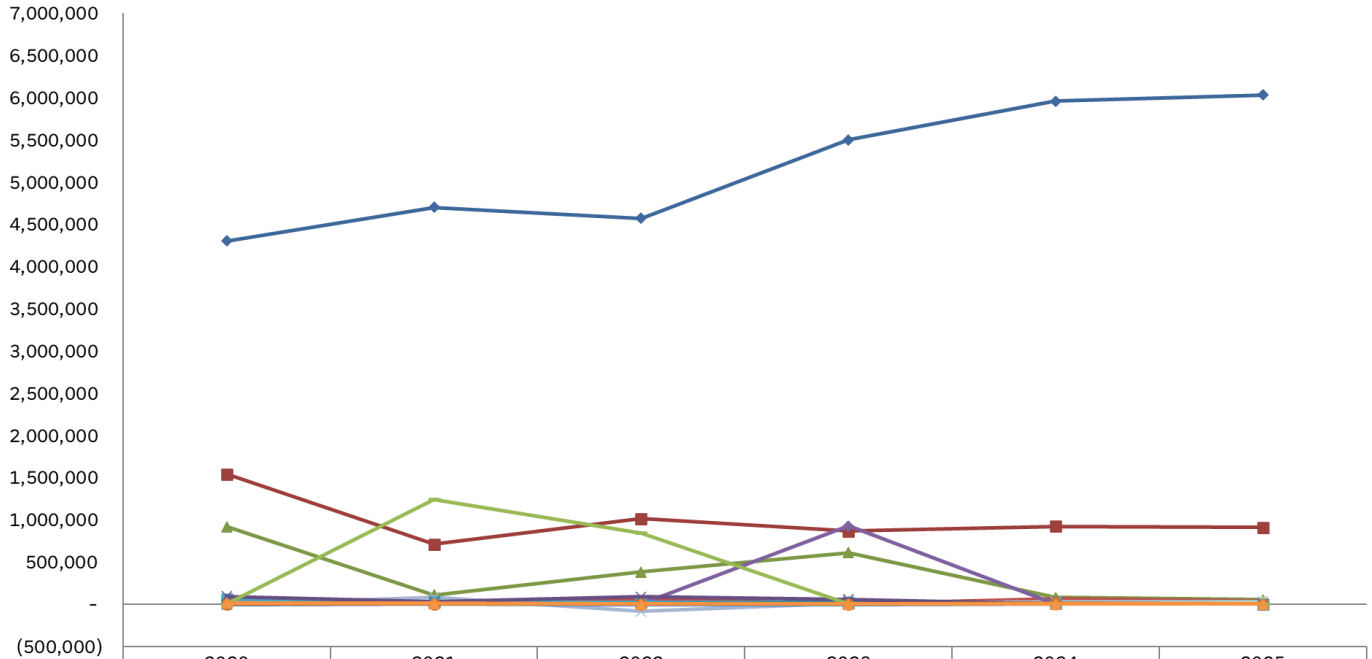
	2020	2021	2022	2023	2024	2025
Investment in Property and Equipment	-	-	1,297,478	1,185,386	806,211	745,900
Undesignated	1,190,119	2,372,793	647,810	1,133,660	715,663	12,793
Purpose/Time Restricted Net Assets	567,006	596,176	596,176	518,637	549,442	579,710
Total Net Assets	1,757,125	2,968,969	2,541,464	2,837,683	2,071,316	1,338,403

Change in Net Assets



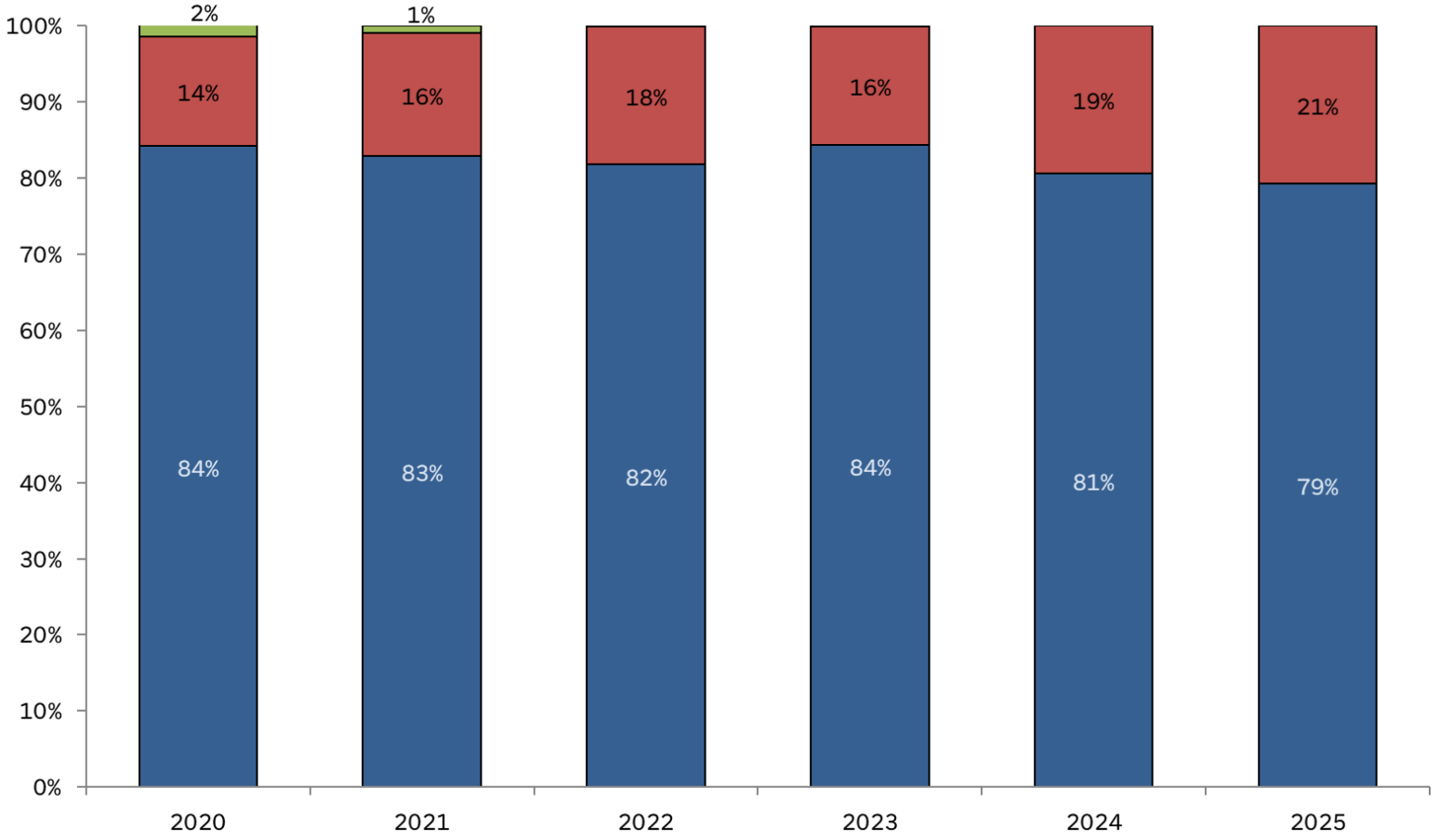
	2020	2021	2022	2023	2024	2025
Total Revenue and Support	6,978,024	6,920,072	6,892,425	8,011,886	7,083,186	7,098,776
Total Expenses	7,406,628	5,708,228	7,319,929	7,715,667	7,849,553	7,831,689
Restatement	(166,893)	-	-	-	-	-
Change in Net Assets	(428,604)	1,211,844	(427,504)	296,219	(766,367)	(732,913)

Revenue by Type



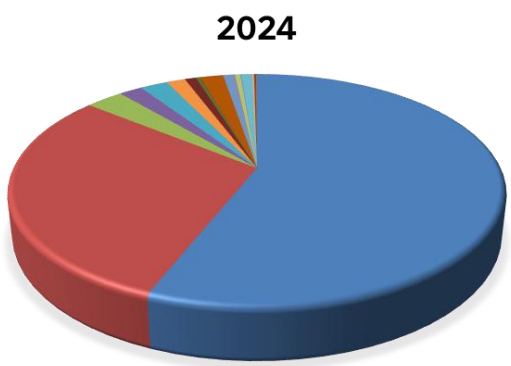
	2020	2021	2022	2023	2024	2025
Source America and Other Service Contracts	4,301,416	4,701,554	4,571,030	5,497,697	5,957,599	6,029,587
Program Service Fees	1,538,960	709,901	1,011,690	865,959	923,555	907,272
NM Department of Health Contracts	918,422	109,390	380,088	609,891	78,714	52,248
Grants	60,025	9,501	63,851	-	66,021	34,848
Change in Value of Charitable Trusts	(6,890)	82,045	(86,997)	9,458	30,805	30,268
Investment Income (Loss), Net	(2,114)	3,811	(3,162)	(2,736)	(49)	14,724
Rental Income	-	-	-	-	-	20,379
CARES Act Credits and Reimbursements	-	-	-	923,761	6,732	6,538
Monetary	59,854	23,522	20,374	16,148	3,647	1,132
Interest Income	29	967	204	30,174	1,854	898
Other Income	93,482	29,206	87,154	58,317	963	882
Gain (Loss) on Asset Disposition	-	-	-	745	11,891	-
Paycheck Protection Program (PPP) Funding	-	1,242,229	845,552	-	-	-
In-Kind	14,840	7,946	2,641	2,472	1,454	-
Total Revenue and Support	6,978,024	6,920,072	6,892,425	8,011,886	7,083,186	7,098,776

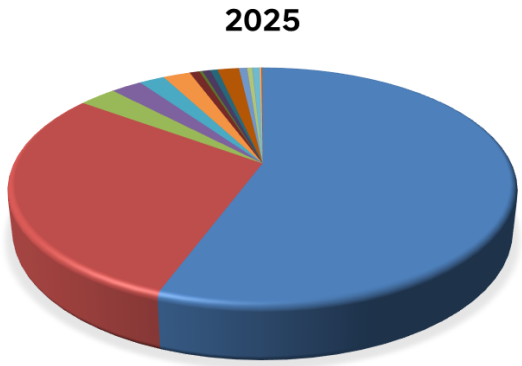
Percentage of Total Expenses



	2020	2021	2022	2023	2024	2025
Program Services	6,237,299	4,732,855	5,990,507	6,510,236	6,328,796	6,212,367
Management and General	1,062,903	920,997	1,319,897	1,198,169	1,520,757	1,619,243
Fundraising	106,426	54,376	9,525	7,262	-	79
Total Expense	**7,406,628**	**5,708,228**	**7,319,929**	**7,715,667**	**7,849,553**	**7,831,689**

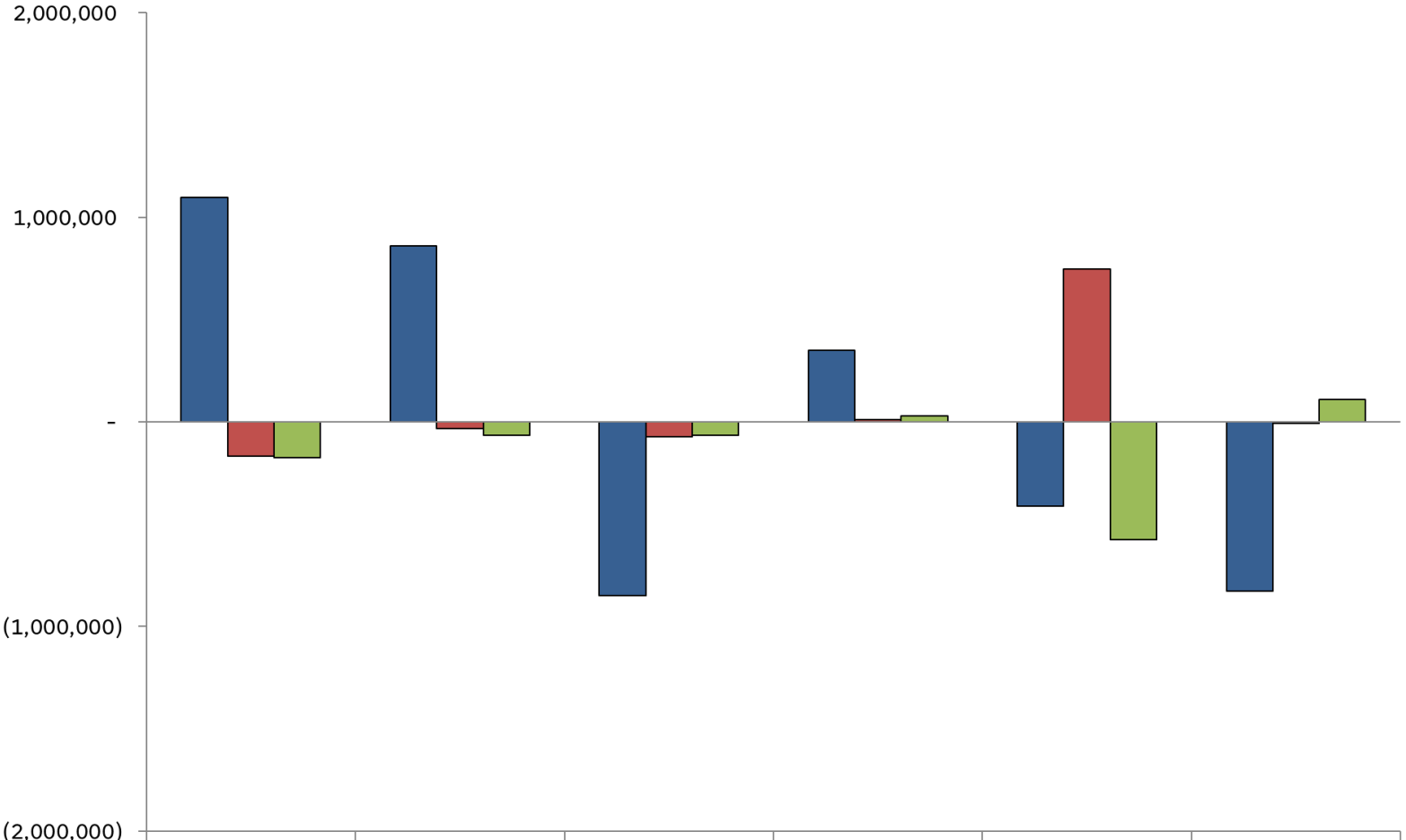
Comparative Expenses by Type





Comparative Expenses by Type: Chart Data	2024		2025		Difference $	Difference %
Salaries and Payroll Related Expenses	4,398,718	56.0%	4,369,830	55.8%	(28,888)	-0.7%
Contract Labor	2,342,391	29.8%	2,309,334	29.5%	(33,057)	-1.4%
Supplies and Postage	232,462	3.0%	226,061	2.9%	(6,401)	-2.8%
Professional Fees	142,990	1.8%	187,483	2.4%	44,493	31.1%
Insurance	116,571	1.5%	143,569	1.8%	26,998	23.2%
Commissions	169,195	2.2%	153,668	2.0%	(15,527)	-9.2%
Depreciation and Amortization	143,952	1.8%	130,267	1.7%	(13,685)	-9.5%
Interest	69,593	0.9%	59,937	0.8%	(9,656)	-13.9%
Advertising and Marketing	1,720	0.0%	48,136	0.6%	46,416	2698.6%
Rent, Utilities, Telephone and Office Expense	65,138	0.8%	47,693	0.6%	(17,445)	-26.8%
Credit Loss	684	0.0%	43,178	0.6%	42,494	6212.6%
Repairs and Maintenance	67,956	0.9%	41,833	0.5%	(26,123)	-38.4%
Transportation Services	33,035	0.4%	30,478	0.4%	(2,557)	-7.7%
Training and Curriculum Expense	22,954	0.3%	18,713	0.2%	(4,241)	-18.5%
Miscellaneous	9,996	0.1%	10,869	0.1%	873	8.7%
Employment Screening	10,937	0.1%	4,222	0.1%	(6,715)	-61.4%
Dues and Subscriptions	6,284	0.1%	2,747	0.0%	(3,537)	-56.3%
Equipment Purchases	4,923	0.1%	1,963	0.0%	(2,960)	-60.1%
Conference Expenses	6,924	0.1%	1,703	0.0%	(5,221)	-75.4%
Bank and Investment Fees	1,325	0.0%	5	0.0%	(1,320)	-99.6%
In-Kind Expenses	1,454	0.0%	-	0.0%	(1,454)	-100.0%
Copying and Printing	351	0.0%	-	0.0%	(351)	-100.0%
Total Expenses	7,849,553	100.0%	7,831,689	100.0%	(17,864)	-0.2%

Cash Flows by Activity



	2020	2021	2022	2023	2024	2025
Operating Activities	1,097,765	860,012	(850,666)	350,455	(411,110)	(827,010)
Investing Activities	(165,821)	(31,864)	(71,634)	12,724	745,774	(8,497)
Financing Activities	(173,728)	(64,214)	(65,076)	30,016	(573,958)	108,206

Subsequent Events / Planning for Next Year

Operations & Financing

- New debt or financing arrangements?
- Major projects or capital initiatives planned?
- Other significant operational changes?

Financial & System Changes

- Significant changes in revenue sources (e.g., new funding sources)
- Changes in accounting or financial reporting software

Key Personnel & Other Matters

- Changes in key personnel or leadership
- Other matters of significance requiring consideration

Wrap Up

- Ensure we have names and position titles of attendees.
- Ensure you receive the adjusting journal entries and final trial balance.
- Number of hard copies of audit report.

Remaining Wrap Up Items			
Done?		**Responsibility**	**Date**
☐	Signed Management Representation Letter	Management	Prior to Release
☐	Complete Form 990 Tax Return Based on Audit	H + L Tax Dept.	5/15/2026
☐	Download Meeting, Plan Next Year	H + L	After Release

Adjusting Journal Entries

Final Trial Balance

Thank You





We appreciate all the support we received from Finance and Management!

HINKLE + LANDERS

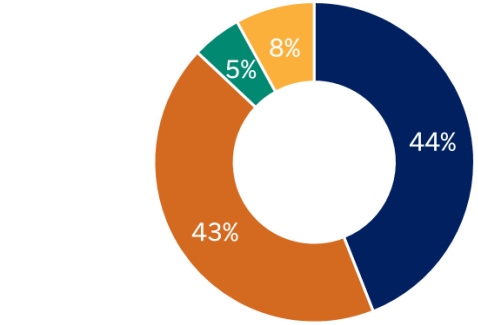
54+ Years Serving New Mexico

What Sets Us Apart

Our diverse, multicultural team brings varied perspectives, experiences, and talents to Hinkle + Landers, PC.

80%	47%	63%	45%
Female Audit Managers	CPA	Audit Department	Multiple Credentials

Client Audits and Revenue



SERVING NEW MEXICO CLIENTS WITH ANNUAL REVENUES:

- $ 2.2 Billion Government
- $ 190 Million Non-Profit
- $ 74.4 Million Accounting
- $ 97 Million For-Profit

Key Firm Statistics

- 140+ State & Local Governments
- **7+** Long-Term Tenure of Audit Managers
- 16+ Forensic Accounting Engagements
- Full-Service CPA Firm

Awards & Recognition

- Best & Brightest in the Nation
- ABQ Best Places to Work
- Expertise Top 10 Accountants in ABQ

lifeROOTS

Contact Information
On call throughout the year



Primary Contact

Farley Vener, CPA, CFE, CGMA
Managing Shareholder
Fvener@HL-cpas.com
(505) 385-4899

Location(s)

Albuquerque (Main Office)

2500 9th St. NW
Albuquerque, NM 87102
(505) 883-8788

Santa Fe

404 Brunn School Rd. #B
Santa Fe, NM 87505
(505) 883-8788