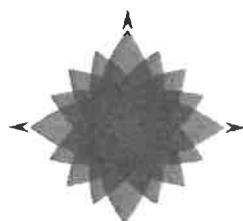


DISABILITY RIGHTS NEW MEXICO

FINANCIAL STATEMENTS

For the Year Ended September 30, 2019



INTEGRITY

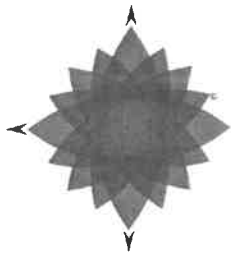
DISABILITY RIGHTS NEW MEXICO
Board of Directors
As of September 30, 2019

Marijo Rymer..... President
Jeanne A. Hamrick Vice-President
Jonathan Toledo..... Secretary/Treasurer
T. J. Chester Board Member
Sam Cueto Board Member
Doris Dennison Board Member
Jeff Diamond Board Member
Gail Falconer..... Board Member
John Foley..... Board Member
Danny Palma..... Board Member
Michael J. Rourke Board Member
Art Schreiber..... Board Member
Elizabeth “Liz” Thomson..... Board Member
Tenika Sosa-Gonzalez PAIMI Advisory Council Chairperson

DISABILITY RIGHTS NEW MEXICO
AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
For the Year Ended September 30, 2019

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
Disability Rights New Mexico
Albuquerque, New Mexico

We have audited the accompanying financial statements of the Disability Rights New Mexico (DRNM) a New Mexico nonprofit corporation, which comprise the statement of financial position as of September 30, 2019, 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk 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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DRNM as of September 30, 2019, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited DRNM's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2020, on our consideration of DRNM's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Disability Rights New Mexico's internal control over financial reporting and compliance.

Integrity Accounting & Consulting, LLC

Integrity Accounting & Consulting, LLC
Albuquerque, NM
January 24, 2020

DISABILITY RIGHTS NEW MEXICO
STATEMENT OF FINANCIAL POSITION
As of September 30, 2019

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
ASSETS			
Current assets			
Cash and cash equivalents	3	\$ 97,551	59,716
Investments	4	600,297	555,402
Investments - deferred compensation	4, 7	111,340	126,231
Grants and contracts receivable		235,911	216,427
Prepaid expenses		25,188	22,926
Security deposits		400	400
Total current assets		<u>1,070,687</u>	<u>981,102</u>
Other non-current assets			
Property and equipment, net	6	<u>939,013</u>	<u>960,620</u>
TOTAL ASSETS		<u><u>\$ 2,009,700</u></u>	<u><u>1,941,722</u></u>
LIABILITIES AND NET ASSETS			
Current liabilities:			
Deferred revenues		\$ 2,659	16,688
Funds held for others		59	59
Current portion of note payable	8	<u>29,409</u>	<u>29,409</u>
Total current liabilities		<u>32,127</u>	<u>46,156</u>
Other non-current liabilities			
Compensated absences payable		67,026	59,034
Deferred compensation payable	7	111,340	126,231
Notes payable	8	<u>727,738</u>	<u>757,147</u>
Total non-current liabilities		<u>906,104</u>	<u>942,412</u>
Total liabilities		938,231	988,568
Net Assets:			
Net assets without donor restrictions:			
Net investment in property and equipment		181,866	174,064
Undesignated		889,603	779,090
Total net assets without donor restrictions		<u>1,071,469</u>	<u>953,154</u>
Total net assets		<u>1,071,469</u>	<u>953,154</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 2,009,700</u></u>	<u><u>1,941,722</u></u>

DISABILITY RIGHTS NEW MEXICO
STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2019

	2019	2018
	Without	Without
	Donor Restrictions	Donor Restrictions
Support, Revenue		
Grant revenue		
Federal grants	\$ 1,572,372	1,429,142
State grants and contracts	296,749	263,920
Other grants	44,630	9,757
Contributions	9,500	39,075
Program service fees	215,043	157,691
Investment income	43,312	50,409
Other income	11,024	-
Total Support and Revenue	<u>2,192,630</u>	<u>1,949,994</u>
Operating Expenses		
Program services		
Developmental disabilities	651,310	682,762
Mental health	385,545	421,340
Protection and advocacy for		
individual rights	149,091	137,803
Client assistance program	125,863	118,529
Protection and advocacy for		
beneficiaries of Social Security	82,907	76,486
Civil legal services	155,518	106,587
Traumatic brain injury	36,813	47,864
Help America Vote Act	65,246	55,765
Assistive technology	45,804	32,214
Research fellowship	34,555	4,198
Access to justice	1,671	-
SSA Rep Payee	153,245	28,795
Total program services	<u>1,887,568</u>	<u>1,712,343</u>
Supporting services		
Management and general	186,747	178,519
Total Operating Expenses	<u>2,074,315</u>	<u>1,890,862</u>
Change in net assets	118,315	59,132
Net assets, beginning	<u>953,154</u>	<u>894,022</u>
Net assets as restated, beginning	<u>953,154</u>	<u>894,022</u>
Net assets, ending	<u>\$ 1,071,469</u>	<u>953,154</u>

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

DISABILITY RIGHTS NEW MEXICO
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended September 30, 2019

	Develop- mental Disabilities	Mental Health	Individual Rights	Client Assistance Program	Beneficiaries of Social Security	Civil Legal Services	Traumatic Brain Injury	Help America Vote Act
Personnel expense:								
Salaries	\$ 264,821	163,422	74,502	57,790	39,881	75,836	18,678	27,427
Payroll taxes and benefits	60,353	42,406	15,013	13,694	8,201	15,927	3,813	6,102
Professional fees - consulting	63,339	12,553	1,601	195	144	-	92	-
Travel and mileage	23,474	9,762	944	5,695	3,663	5,967	376	5,358
Mortgage interest	-	-	-	-	-	-	-	-
Telephone and utilities	-	-	-	-	-	-	-	-
Dues and publications	1,679	1,712	680	523	396	-	198	1,389
Repairs and maintenance	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Rent	1,675	770	334	-	-	-	-	-
Bookkeeping and audit	-	-	-	-	-	-	-	-
Supplies	351	5	-	-	-	106	-	-
Board of Directors expense	-	8,982	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Printing	3,760	1,714	530	857	-	640	39	358
Conference registration	790	975	-	550	-	150	-	800
Postage	39	47	-	-	-	-	-	-
Minor equipment	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-
Staff Training	-	-	-	-	150	-	-	-
Educational materials	-	-	-	-	-	-	-	-
Stipends	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	27	-	-
Total expenses before program support allocation	<u>420,281</u>	<u>242,348</u>	<u>93,604</u>	<u>79,304</u>	<u>52,435</u>	<u>98,653</u>	<u>23,196</u>	<u>41,434</u>
Program support	<u>231,029</u>	<u>143,197</u>	<u>55,487</u>	<u>46,559</u>	<u>30,472</u>	<u>56,865</u>	<u>13,617</u>	<u>23,812</u>
Total expenses	<u>\$ 651,310</u>	<u>385,545</u>	<u>149,091</u>	<u>125,863</u>	<u>82,907</u>	<u>155,518</u>	<u>36,813</u>	<u>65,246</u>

**DISABILITY RIGHTS NEW MEXICO
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended September 30, 2019**

<u>Assistive Technology</u>	<u>Research Fellowship</u>	<u>Access to Justice</u>	<u>SSA Rep Payee</u>	<u>Program Support</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>2019 Total</u>	<u>2018 Total</u>
22,852	28,413	643	71,053	346,289	1,191,607	102,791	1,294,398	1,159,163
4,652	6,099	194	16,165	110,133	302,752	35,986	338,738	294,148
-	43	222	54	36,322	114,565	1,730	116,295	80,406
908	-	13	6,917	14,868	77,945	3,804	81,749	95,036
-	-	-	-	28,968	28,968	2,778	31,746	32,926
-	-	-	-	29,872	29,872	811	30,683	32,431
198	-	-	695	22,650	30,120	147	30,267	29,271
-	-	-	-	25,271	25,271	1,484	26,755	28,309
-	-	-	-	19,717	19,717	1,891	21,608	22,668
-	-	-	-	9,054	11,833	52	11,885	18,875
-	-	-	-	-	-	20,657	20,657	20,908
22	-	-	122	15,320	15,926	85	16,011	17,762
-	-	-	-	-	8,982	12,896	21,878	21,507
-	-	-	-	8,171	8,171	-	8,171	8,394
-	-	-	58	3,115	11,071	-	11,071	7,597
140	-	-	500	1,313	5,218	531	5,749	3,355
-	-	-	-	3,306	3,392	-	3,392	2,698
-	-	-	-	-	-	-	-	861
-	-	-	-	411	411	-	411	7,733
-	-	-	-	1,537	1,687	185	1,872	431
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	37
-	-	-	-	33	60	919	979	6,347
<u>28,772</u>	<u>34,555</u>	<u>1,072</u>	<u>95,564</u>	<u>676,350</u>	<u>1,887,568</u>	<u>186,747</u>	<u>2,074,315</u>	<u>1,890,863</u>
<u>17,032</u>	<u>-</u>	<u>599</u>	<u>57,681</u>	<u>(676,350)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>45,804</u>	<u>34,555</u>	<u>1,671</u>	<u>153,245</u>	<u>-</u>	<u>1,887,568</u>	<u>186,747</u>	<u>2,074,315</u>	<u>1,890,863</u>

SEE INDEPENDENT AUDITOR'S REPORT

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

DISABILITY RIGHTS NEW MEXICO
STATEMENT OF CASH FLOWS
For The Year Ended September 30, 2019

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities:		
Cash received from:		
Grants and contracts	\$ 1,880,238	1,630,120
Contributions	9,500	39,075
Program service fees	215,043	157,691
Investment income	11,902	8,875
Other income	11,024	-
Total cash received from operations	<u>2,127,707</u>	<u>1,835,761</u>
Less used for:		
Employees and benefits	1,640,035	1,465,887
Vendors and other program	390,087	379,762
Interest	31,746	32,926
Total cash used for operations	<u>2,061,868</u>	<u>1,878,575</u>
Net cash provided/(used) by operating activities	<u>65,839</u>	<u>(42,814)</u>
Cash Flows From Investing Activities:		
Cash used to purchase investments	(11,903)	(37,602)
Cash received from sale of investments	13,307	28,728
Net cash provided/(used) by investing activities	<u>1,404</u>	<u>(8,874)</u>
Cash Flows From Financing Activities:		
Cash used to pay note payable	(29,408)	(28,227)
Net cash provided/(used) by financing activities	<u>(29,408)</u>	<u>(28,227)</u>
Net increase/(decrease) in cash balance	37,835	(79,915)
Beginning cash balance	<u>59,716</u>	<u>139,631</u>
Ending cash balance	<u>\$ 97,551</u>	<u>59,716</u>
Reconciliation of Change in Net Assets To Cash Provided by Operating Activities		
Change in net assets	\$ 118,315	59,132
Adjustments for:		
Depreciation expense	21,608	22,668
Realized market investment (gain) loss	(31,828)	(28,727)
Unrealized market investment (gain) loss	418	(12,807)
Changes in operating assets and liabilities		
(Increase)/Decrease in grants and contracts receivable	(19,484)	(88,475)
(Increase)/Decrease in prepaid expenses	(2,262)	72
(Increase)/Decrease in security deposits	-	2,123
(Decrease)/increase in accrued liabilities	7,992	(12,576)
(Decrease)/increase in deferred revenues	(14,029)	15,776
(Decrease)/increase in deferred compensation liability	(14,891)	-
Net cash provided by operating activities	<u>\$ 65,839</u>	<u>(42,814)</u>

DISABILITY RIGHTS NEW MEXICO
NOTES TO AUDITED FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

Disability Rights New Mexico (the Organization), a nonprofit corporation, formerly known as Protection & Advocacy System, was incorporated under the laws of the State of New Mexico on September 17, 1979. The Organization's purpose is to improve the status, rights, and well-being of and services for individuals in New Mexico with developmental disabilities and other physical and/or mental disabilities. The Organization is supported primarily through federal grants, program service revenue, and other government grants and contracts.

Programs supported by these funding sources are as follows:

- *Information and Referral* - Provide information about legal rights of persons with disabilities and services to which they may be entitled and where those services may be obtained.
- *Client Advocacy* - Negotiate on behalf of individuals, or to support self-advocacy efforts, to resolve discrimination issues and violation of individual rights.
- *Group Advocacy* - Work to change policies, practices, regulations, and laws to improve and expand disability services or legal rights.
- *Training* - Provide workshops and presentations on legal rights issues and on how to obtain benefits and services. Handbooks and other materials are also available.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

The financial statements of DRNM have been prepared on the accrual basis. Under the accrual method of accounting, revenues are recognized when earned rather than when received and expenses are recognized when the related liability is incurred rather than when paid. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

1) Classes of Net Assets:

DRNM is required to report information regarding its financial position and activities based on the existence or absence of restrictions imposed by donors or grantors. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions

Net assets available for use in general operations and not subject to donor or grantor restrictions including, if applicable, net assets that have been designated by the Board of Directors for a particular purpose or project. The net assets without donor restrictions represent the investment in assets without donor restrictions and the investment in property and equipment, less accumulated depreciation and amortization.

Net assets with donor restrictions

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions expire by passage of time or can be fulfilled and removed by actions of the organizations pursuant to those stipulations. Donor imposed restrictions are released

DISABILITY RIGHTS NEW MEXICO
NOTES TO AUDITED FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. DRNM held net assets with donor restrictions at September 30, 2019 in the form of stipulations that cannot be removed by the actions of DRNM.

2) Public Support:

DRNM primarily receives its revenue in the form of grants from federal and state entities. Contributions received are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

Gifts of land, buildings, equipment and other long-lived assets are also reported as unrestricted revenue and net assets, unless subject to time restrictions or other donor stipulations. Absent explicit donor stipulations for the length of time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as unrestricted net assets are reported when the long-lived assets are placed in service.

Contribution income is recorded when cash is received or when ownership of donated assets is transferred. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

3) Functional Expenses:

For the year ended September 30, 2019, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Program support costs are allocated to programs based on actual monthly salary allocations.

4) Fair Value of Measurements:

Fair Value Measurements – DRNM has adopted ASC 820-10 which provides a framework for measuring fair value under generally accepted accounting principles. ASC 820-10 applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in ASC 820-10, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, DRNM uses various methods including market, income, and cost approaches. Based on these approaches, DRNM often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable,

DISABILITY RIGHTS NEW MEXICO
NOTES TO AUDITED FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

market corroborated, or generally unobservable inputs. DRNM utilized valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques DRNM is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Following is a description of valuation methodologies used for assets and liabilities recorded at fair value:

Cash and cash equivalents, money market accounts, receivables, accounts payable and accrued expenses – The carrying amount reported in the statement of financial position approximates fair value because of the short maturity of those instruments.

Investments in debt and equity securities – The fair value of investments in securities or mutual funds is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs to the limited market activity of the instrument.

Fair values of assets and liabilities measured on a recurring basis at September 30, 2019 are as follows:

Description	Level 1	Level 2	Level 3	Total
American Century Equity Income Fund	\$ 155,753	-	-	155,753
American Century Short-term Gov't Fund	15,009	-	-	15,009
Fidelity Telecom and Utilities Fund	158,303	-	-	158,303
Fidelity Contrafund	148,102	-	-	148,102
Fidelity Total Bond	123,130	-	-	123,130
Fidelity Stock Selector All Cap	111,340	-	-	111,340
Total	\$ 711,637	-	-	711,637

DISABILITY RIGHTS NEW MEXICO
NOTES TO AUDITED FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

Fair values of assets and liabilities measured on a recurring basis at September 30, 2018 are as follows:

Description	Level 1	Level 2	Level 3	Total
American Century Equity Income Fund	\$ 142,088	-	-	142,088
American Century Short-term Gov't Fund	14,485	-	-	14,485
Fidelity Telecom and Utilities Fund	136,428	-	-	136,428
Fidelity Contrafund	150,043	-	-	150,043
Fidelity Total Bond	112,357	-	-	112,357
Fidelity Stock Selector All Cap	126,231	-	-	126,231
Total	\$ 681,632	-	-	681,632

5) Cash and Cash Equivalents:

For purposes of the statement of financial position and the statement of cash flows, cash and cash equivalents consist of cash and other highly liquid resources, such as investments in certificates of deposit and money market funds, with an original maturity of three months or less when purchased.

6) Investments:

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets (all Level 1 measurements) in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

7) Property & Equipment:

DRNM capitalizes all expenditures in excess of \$5,000 for property and equipment at cost. Contributed property and equipment is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as donor-restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. Routine repairs and maintenance are expensed as incurred.

Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

Type	Useful Lives
Land	Perpetuity
Buildings and improvements	20 - 40 years
Equipment	5 years

8) Impairment of Long-Lived Assets:

DRNM accounts for long-lived assets in accordance with the provisions of FASB ASC 360-10 and subsections. FASB ASC 360-10 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the

DISABILITY RIGHTS NEW MEXICO
NOTES TO AUDITED FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell. Management does not believe impairment indicators are present as of September 30, 2019.

9) Income Taxes:

DRNM qualifies as a tax-exempt organization under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income taxes has been included in the financial statements. However, any unrelated business income may be subject to taxation. Currently, DRNM has no obligation for any unrelated business income tax. The organization is still required to file an annual Form 990 information return to the Internal Revenue Service. DRNM is generally no longer subject to examination by federal and state taxing authorities for years prior to 2016.

For the years ended September 30, 2019 and 2018, no interest or penalties were recorded or included in the financial statements. DRNM has adopted the provisions of FASB ASC 740-10. Under ASC 740-10, an organization must recognize the tax benefit/liability associated with any uncertain tax positions taken by the organization when it is more likely than not the position will be sustained by review of the taxing authority. An analysis performed by management during the year ended September 30, 2019 of DRNM's tax positions revealed no positions that met the requirements for disclosure as identified by ASC 740-10.

10) Use of Estimates:

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

11) Comparative Financial Statements:

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with DRNM's financial statements for the year ended September 30, 2018 from which the summarized information was derived. Certain reclassifications have been made to the 2018 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

DISABILITY RIGHTS NEW MEXICO
NOTES TO AUDITED FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash consists of the following at September 30:

<u>Type</u>	<u>2019</u>	<u>2018</u>
Checking accounts	\$ 97,442	59,607
Cash held for others- interest on Lawyer Trust Account (IOLTA)	59	59
Petty cash	50	50
Total cash and cash equivalents	97,551	59,716

DRNM maintains its cash balances in two financial institutions located in New Mexico. The balances at both institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of September 30, 2019 and 2018 all of DRNM's cash balances were covered by FDIC insurance. DRNM maintains its cash balances with high quality financial institutions which the organization believes limits any custodial credit risk to an acceptable level.

NOTE 4 – INVESTMENTS

Investments consist of mutual funds held by two brokerage companies. They are presented in the financial statements in the aggregate at the current market value. Market risk could occur and is dependent on the future changes in market prices of the various investments held. The total fair market value and cost consists of the following at September 30:

<u>Description</u>	<u>2019</u>		<u>2018</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
American Century Equity Income Fund	155,753	135,053	142,088	119,826
American Century Short-term Gov't Fund	15,009	14,937	14,485	14,713
Fidelity Telecom and Utilities Fund	158,303	109,630	136,428	99,670
Fidelity Contrafund	148,102	81,550	150,043	72,773
Fidelity Total Bond	123,130	114,675	112,357	111,223
Fidelity Stock Selector All Cap	111,340	75,518	126,231	78,975
Total	<u>711,637</u>	<u>531,363</u>	<u>681,632</u>	<u>497,180</u>

Investments totaling \$111,340 have been set aside to fund a deferred compensation agreement with a former director of the organization.

Investment activity for the years ended September 30, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Interest, dividends, and earnings	11,902	8,874
Realized gain/(losses)	31,828	28,727
Unrealized gain/(losses)	(418)	12,807
Net realized and unrealized gains/(losses)	<u>31,410</u>	<u>41,534</u>
Investment earnings, end of year	<u>43,312</u>	<u>50,408</u>

The following tabulation summarizes the relationship between the cost-basis and fair values of investment assets.

DISABILITY RIGHTS NEW MEXICO
NOTES TO AUDITED FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

	<u>Cost</u>	<u>Fair Value</u>	<u>Excess of Fair Value Over Cost</u>
Balance at beginning of year	\$ 497,180	681,632	184,452
Balance at end of year	\$ 531,363	711,637	180,274

NOTE 5 – GRANTS AND CONTRACTS RECEIVABLE

DRNM is the recipient of various federal and state grants and contracts, the revenue of which is recorded in these financial statements based on both cost-reimbursement and fee for service agreements. No allowance for doubtful accounts has been recorded as management believes all amounts are fully collectible.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30, 2019:

<u>Type</u>	<u>2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>2019</u>
Depreciable property and equipment				
Building and improvements	\$ 669,989	-	-	669,989
Equipment	10,380	-	-	10,380
Subtotal	680,369	-	-	680,369
Less: Accumulated depreciation	(50,549)	(21,607)	-	(72,156)
Total depreciable property and equipment, net	629,820	(21,607)	-	608,213
Non-depreciable property and equipment				
Land	330,800	-	-	330,800
Total non-depreciable property and equipment	330,800	-	-	330,800
Total property and equipment, net	\$ 960,620	(21,607)	-	939,013

Depreciation expense for the years ended September 30, 2019 and 2018 was \$21,607 and \$22,668, respectively.

NOTE 7 – INVESTMENTS -DEFERRED COMPENSATION LIABILITY

A non-qualified deferred compensation plan was established for the Executive Director in January 2003. Funding of the plan is at the discretion of the Board of Directors. The Executive Director has no access to the account except upon retirement from the Organization, or upon death or disability while in the employ of the Organization. Upon retirement, the balance of the account will be paid to the Executive Director in 10 installments, over a 10-year period. The Director retired from the organization during the year ended September 30, 2018. A disbursement totaling \$13,307 was made from the fund to the director during the year ended September 30, 2019. As of September 30, 2019, the balance of the deferred compensation liability and the related investment account was \$111,340.

DISABILITY RIGHTS NEW MEXICO
NOTES TO AUDITED FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

NOTE 8 – NOTE PAYABLE

Notes payable consisted of the following:

<u>Description</u>	<u>Amount</u>
Agreement dated June 23, 2016, with a local bank in the amount of \$833,000; matures January 23, 2027; interest-only payments for the first 7 months; monthly principal and interest payments of \$5,096 beginning February 23, 2017, and a balloon payment of \$503,920 is due January 23, 2027; interest rate is fixed at 4.05%; secured by the property.	\$ <u>757,147</u>

The future scheduled maturities on the note for the years ending September 30th are:

<u>Year Ended</u> <u>September 30</u>	<u>Amount</u>
2020	\$ 30,553
2021	31,917
2022	33,253
2023	34,644
2024	36,024
Thereafter	590,756
	\$ <u>757,147</u>

NOTE 9 – COMMITMENTS

Office Lease

During the year, the Organization leased office space in Las Cruces, New Mexico on a renewable one-year lease. Rental expense for the year ended September 30, 2019, was \$11,855.

The Organization also leases office equipment, and the rental expense for the year ended September 30, 2019, was \$3,186. The future minimum lease payments for office equipment for leases with remaining terms in excess of one year as of September 30, 2019, are:

<u>Fiscal year</u>	<u>Amount</u>
2020	\$ 8,560
2021	2,345
2022	2,345
2023	2,345
2024	977
	\$ <u>16,572</u>

NOTE 10 – PENSION PLAN

During the year ended September 30, 2019, the Organization contributed 4 percent of eligible employees' gross salaries to a Simplified Employee Pension (SEP) plan. Employees are eligible for the SEP plan after 6 months of employment, and amounts contributed vest to the employee immediately. Retirement expense for the year ended September 30, 2019 was \$56,095.

DISABILITY RIGHTS NEW MEXICO
NOTES TO AUDITED FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

DRNM has \$1,045,099 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$97,551, investments of \$600,297, and accounts receivable of \$235,911. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the balance sheet date. As part of DRNM's liquidity management, it has policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 12 – CONCENTRATIONS

Government Grants and Contracts

The Organization is primarily supported by federal grants, making up 72 percent of all revenues and support during the fiscal year ended September 30, 2019. Management of the Organization expects these grants to continue into the foreseeable future. However, if a significant portion of these funds are reduced or not continued, the Organization's ability to continue all programs would be diminished.

NOTE 13 – CONTINGENCIES

During the normal course of operations, the Organization receives grant funds from various federal and state agencies. These grants are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. The amount of disallowed claims, if any, that may arise as a result of these audits is not believed to be material.

Periodically, the Organization is involved in litigation related to protecting and advocating for the rights of persons with disabilities, and the resolution of litigation can result in a financial settlement. Due to the uncertainty of the outcome, any settlements received by the Organization are recorded in the period when the settlement is finalized and the amount awarded is known. Expenses related to the litigation are recorded in the period in which the expenses are incurred.

NOTE 14 – RELATED PARTY

The Chief Executive Officer (CEO) of Disability Rights New Mexico is a statutory member of the New Mexico Developmental Disabilities Planning Council (DDPC), a State of New Mexico governmental entity with approximately 25 voting members. The DDPC administers funds provided under federal and state laws related to individuals with disabilities. During the year ended September 30, 2019, the DDPC provided \$103,356 in federal grant pass-through funds to the Organization. Per DDPC's policies, the Executive Director of Disability Rights New Mexico abstains from discussions and votes related to the potential ' awarding of funds from the DDPC to the Organization.

NOTE 15 – CHANGE IN ACCOUNTING PRINCIPLE

During 2016, the Financial Accounting Standards Board issued Accounting Standard Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* ("ASU2016-14"). This standard replaced the existing three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) with two classes of net assets: those with donor restrictions and those without donor

DISABILITY RIGHTS NEW MEXICO
NOTES TO AUDITED FINANCIAL STATEMENTS
For the Year Ended September 30, 2019

restrictions. Additionally, ASU2016-14 enhanced financial disclosures with respect to board designations, cash needs, cost allocations, and underwater investments, if any. DRNM has implemented ASU 2016-14 for its 2019 fiscal year and has adjusted the presentation in these financial statements accordingly.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued. DRNM recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. DRNM's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are available to be issued. The organization has evaluated subsequent events through January 24, 2020, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

DISABILITY RIGHTS NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended September 30, 2019

Federal Grantor/ Pass-through Agency Program Title	CFDA Number	Grant Control Number	Total Federal Expenditures	Expenditures to Subrecipients
INDIRECT PROGRAMS				
<u>US Department of Health and Human Services</u>				
Received as a sub-recipient from				
<i>New Mexico Developmental Disabilities Planning Council</i>				
Developmental Disabilities Basic Support and Advocacy Grants				
Policy and Legislative Action Network				
	93.630	19-647-P727-21502	\$ 35,016	\$ -
	93.630	20-647-P727-22292	16,778	-
Special Education				
	93.630	19-647-P272-21495	41,158	-
	93.630	20-647-P727-22294	9,745	-
Disability Coalition				
	93.630	19-647-P727-21493	20,250	-
Total indirect federal assistance			<u>122,947</u>	<u>-</u>
DIRECT PROGRAMS				
<u>US Department of Health and Human Services</u>				
<i>Administration on Community Living</i>				
Developmental Disabilities Basic Support and Advocacy Grants				
	93.630	1801NMPAD	56,900	-
	93.630	1901NMPAD	383,783	-
			<u>440,683</u>	<u>-</u>
Total for CFDA #93.630			<u>563,630</u>	<u>-</u>
Voting Access for Individuals with Disabilities-Grants for Protection and Advocacy Systems				
	93.618	1803NMOVTP	71,522	-
Total for CFDA #93.618			<u>71,522</u>	<u>-</u>
State Grants for Protection and Advocacy Services				
	93.873	1901NMPATB	40,341	-
Total for CFDA #93.873			<u>40,341</u>	<u>-</u>
ACL Assistive Technology State Grants for Protection and Advocacy				
	93.843	1801NMPAAT	41,262	-
	93.843	1901NMPAAT	8,935	-
Total for CFDA #93.843			<u>50,197</u>	<u>-</u>
<i>Substance Abuse and Mental Health Services Administration</i>				
Protection and Advocacy for Individuals with Mental Illness				
	93.138	98SM003597-18	15,147	-
	93.138	98SM003597-19	398,189	-
Total for CFDA #93.138			<u>413,336</u>	<u>-</u>
Total US Department of Health and Human Services			<u>1,139,026</u>	<u>-</u>

See independent auditors' report.

US Department of Education

Rehabilitation Services Client Assistance Program

84.161	H161A180032	23,321	-
84.161	H161A190032	114,611	-
Total for CFDA #84.161		137,932	-

Program of Protection and Advocacy of Individual Rights

84.240	H240A180032	35,540	-
84.240	H240A190032	127,022	-
Total for CFDA #84.240		162,562	-
Total US Department of Education		300,494	-

US Social Security Administration

Social Security State Grants for Work Incentives Assistance to Disabled Beneficiaries

96.009	PAB13020270-01-06	38,085	-
96.009	PAB19020373-01-00	52,772	-
96.009	SPS1800038-01-00	143,905	-
96.009	SPS1800038-02-00	24,036	-
Total for CFDA #96.009		258,798	-
Total US Social Security Administration		258,798	-
Total direct federal assistance		1,575,371	-
Total Expenditures of Federal Awards		\$ 1,698,318	-

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Disability Rights New Mexico under programs of the federal government for the year ended June 30, 2019. The information in the 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 Disability Rights New Mexico, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Disability Rights New Mexico.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

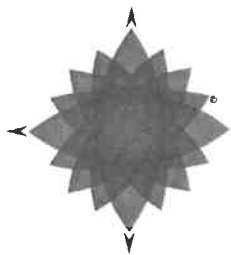
1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. Disability Rights New Mexico is not eligible to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance due to DRNM already having an approved 9.59% Indirect Cost Rate that it utilizes on its applicable grants.

3. DRNM has no federally funded insurance.

NOTE C - PAYMENTS TO SUBRECIPIENTS

Disability Rights New Mexico did not have any subrecipients during the year ended September 30, 2019.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors of
Disability Rights New Mexico
Albuquerque, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Disability Rights New Mexico (DRNM) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 24, 2020.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

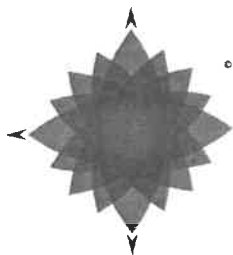
As part of obtaining reasonable assurance about whether DRNM's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Integrity Accounting & Consulting, LLC

Integrity Accounting & Consulting, LLC
Albuquerque, NM
January 24, 2020



INTEGRITY
accounting + consulting

> AccountingNewMexico.com

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

The Board of Directors of
Disability Rights New Mexico
Albuquerque, New Mexico

Report on Compliance for Each Major Federal Program

We have audited Disability Rights New Mexico's (DRNM) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of DRNM's major federal programs for the year ended September 30, 2019. DRNM's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of DRNM's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about DRNM's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of DRNM's compliance.

Opinion on Each Major Federal Program

In our opinion, Disability Rights New Mexico 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 September 30, 2019.

Integrity Accounting and Consulting, LLC
320 Osuna Rd NE, Bldg G-3
Albuquerque, NM 87107
p 505.205.1900 f 505.672.7766

Report on Internal Control Over Compliance

Management of DRNM is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered DRNM's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of DRNM's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Integrity Accounting & Consulting, LLC

Integrity Accounting & Consulting, LLC
Albuquerque, NM
January 24, 2020

**DISABILITY RIGHTS NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2019**

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditors' report issued on compliance for major programs | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | No |
| 4. Identification of major programs: | |

CFDA
Number
93.630

Federal Program
Developmental Disabilities Basic Support and Advocacy Grants

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

DISABILITY RIGHTS NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2019

SECTION II FINDINGS – FINANCIAL STATEMENTS

PRIOR YEAR FINDINGS

None

CURRENT YEAR FINDINGS

None

SECTION III FINDINGS – FEDERAL AWARDS

PRIOR YEAR FINDINGS

None

CURRENT YEAR FINDINGS

None