



*The Savila Collaborative dba
Centro Savila*

Financial Statements and Independent Auditors' Report

For the Years Ended June 30, 2022 and 2021

Schlenker &

Cantwell, P.A.

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SCHLENKER & CANTWELL, P.A.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Savila Collaborative dba Centro Savila
Albuquerque, New Mexico

Opinion

We have audited the accompanying financial statements of The Savila Collaborative dba Centro Savila (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022, and 2021, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Savila Collaborative dba Centro Savila as of June 30, 2022, and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Savila Collaborative dba Centro Savila and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Savila Collaborative dba Centro Savila's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Savila Collaborative dba Centro Savila's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Savila Collaborative dba Centro Savila's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Schlenker & Cantwell, P.A.

SCHLENKER & CANTWELL, P.A.
Certified Public Accountants

January 25, 2023
Albuquerque, New Mexico

THE SAVILA COLLABORATIVE DBA CENTRO SAVILA

Statements of Financial Position

June 30, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Current assets		
Cash	\$ 181,231	\$ 403,998
Accounts receivable	985,276	568,761
Fiscal sponsorship receivable	-	25,000
Prepaid expenses	16,935	14,452
Total current assets	1,183,442	1,012,211
Property and equipment, net	57,802	59,952
Total assets	<u>\$ 1,241,244</u>	<u>\$ 1,072,163</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 159,860	\$ 98,344
Fiscal sponsorship payable	-	25,000
Accrued liabilities	92,415	140,729
Total current liabilities	252,275	264,073
Refundable advance - Paycheck Protection Program	-	201,420
Total liabilities	252,275	465,493
Net assets		
Without donor restrictions	598,969	438,670
With donor restrictions	390,000	168,000
Total net assets	988,969	606,670
Total liabilities and net assets	<u>\$ 1,241,244</u>	<u>\$ 1,072,163</u>

See independent auditors' report and notes to the financial statements

THE SAVILA COLLABORATIVE DBA CENTRO SAVILA

Statement of Activities and Changes in Net Assets

For the year ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support			
Government support	\$ 2,262,598	\$ -	\$ 2,262,598
Grant revenue	246,500	340,000	586,500
In-kind support	57,817	-	57,817
Donations	38,332	-	38,332
Other income	228,399	-	228,399
Net assets released from restriction	<u>118,000</u>	<u>(118,000)</u>	<u>-</u>
Total revenue and support	2,951,646	222,000	3,173,646
Expenses			
Program services	2,266,373	-	2,266,373
Management and general	521,166	-	521,166
Fundraising	<u>3,808</u>	<u>-</u>	<u>3,808</u>
Total expenses	<u>2,791,347</u>	<u>-</u>	<u>2,791,347</u>
Changes in net assets	160,299	222,000	382,299
Net assets, beginning of year	<u>438,670</u>	<u>168,000</u>	<u>606,670</u>
Net assets, end of year	<u>\$ 598,969</u>	<u>\$ 390,000</u>	<u>\$ 988,969</u>

See independent auditors' report and notes to the financial statements

THE SAVILA COLLABORATIVE DBA CENTRO SAVILA

Statement of Activities and Changes in Net Assets

For the year ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support			
Government support	\$ 2,012,369	\$ -	\$ 2,012,369
Grant revenue	257,690	168,000	425,690
In-kind support	105,740	-	105,740
Donations	59,634	-	59,634
Other income	521	-	521
Net Assets released from restriction	<u>285,000</u>	<u>(285,000)</u>	<u>-</u>
Total revenue and support	2,720,954	(117,000)	2,603,954
Expenses			
Program services	1,982,876	-	1,982,876
Management and general	509,941	-	509,941
Fundraising	<u>3,494</u>	<u>-</u>	<u>3,494</u>
Total expenses	<u>2,496,311</u>	<u>-</u>	<u>2,496,311</u>
Changes in net assets	224,643	(117,000)	107,643
Net assets, beginning of year	<u>214,027</u>	<u>285,000</u>	<u>499,027</u>
Net assets, end of year	<u>\$ 438,670</u>	<u>\$ 168,000</u>	<u>\$ 606,670</u>

See independent auditors' report and notes to the financial statements

THE SAVILA COLLABORATIVE DBA CENTRO SAVILA

Statements of Cash Flows

For the years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Changes in net assets	\$ 382,299	\$ 107,643
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities:		
Depreciation	7,400	4,383
(Increase) decrease in operating assets:		
Accounts receivable	(416,515)	104,514
Prepaid expenses	(2,483)	(5,723)
Increase (decrease) in operating liabilities:		
Accounts payable	61,516	52,241
Refundable advance - Paycheck Protection Program	(201,420)	-
Payroll related payables	<u>(48,314)</u>	<u>22,824</u>
Net cash (used) provided by operating activities	(217,517)	285,882
Cash flows from investing activities		
Purchases of property and equipment	<u>(5,250)</u>	<u>(47,837)</u>
Net cash used by investing activities	<u>(5,250)</u>	<u>(47,837)</u>
Net (decrease) increase in cash	(222,767)	238,045
Cash, beginning of year	<u>403,998</u>	<u>165,953</u>
Cash, end of year	<u>\$ 181,231</u>	<u>\$ 403,998</u>

See independent auditors' report and notes to the financial statements

THE SAVILA COLLABORATIVE DBA CENTRO SAVILA

Statement of Functional Expenses

For the year ended June 30, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation expenses				
Salaries and wages	\$ 1,318,664	\$ 232,706	\$ -	\$ 1,551,370
Fringe benefits	214,639	37,878	-	252,517
Payroll taxes	100,695	17,770	-	118,465
Total compensation expenses	<u>1,633,998</u>	<u>288,354</u>	-	<u>1,922,352</u>
Operating expenses				
Program expenses	384,717	-	-	384,717
IT systems and software	13,570	88,731	2,088	104,389
Professional fees	61,993	32,427	954	95,374
Lease expense	3,208	50,260	-	53,468
Equipment	52,352	529	-	52,881
Office expenses	16,682	16,349	334	33,365
Insurance	14,184	15,366	-	29,550
Repairs and maintenance	6,510	10,449	171	17,130
Telephone and internet	7,122	3,894	111	11,127
Dues and subscriptions	8,271	-	84	8,355
Travel	2,044	4,484	66	6,594
Fees and charges	3,834	-	-	3,834
Utilities	-	2,923	-	2,923
Printing, postage, and copying	71	-	-	71
Total operating expenses	<u>574,558</u>	<u>225,412</u>	<u>3,808</u>	<u>803,778</u>
Non-cash expenses				
In-kind expenses	57,817	-	-	57,817
Depreciation	-	7,400	-	7,400
Total expenses	<u>\$ 2,266,373</u>	<u>\$ 521,166</u>	<u>\$ 3,808</u>	<u>\$ 2,791,347</u>

See independent auditors' report and notes to the financial statements

THE SAVILA COLLABORATIVE DBA CENTRO SAVILA

Statement of Functional Expenses

For the year ended June 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation expenses				
Salaries and wages	\$ 1,139,793	\$ 201,140	\$ -	\$ 1,340,933
Fringe benefits	139,875	51,735	-	191,610
Payroll taxes	94,174	10,464	-	104,638
Total compensation expenses	<u>1,373,842</u>	<u>263,339</u>	<u>-</u>	<u>1,637,181</u>
Operating expenses				
Program expenses	352,033	-	-	352,033
IT systems and software	10,432	68,210	1,605	80,247
Professional fees	78,700	74,071	1,543	154,314
Lease expense	3,104	48,623	-	51,727
Equipment	31,333	316	-	31,649
Office expenses	11,699	11,465	234	23,398
Insurance	11,282	12,223	-	23,505
Repairs and maintenance	3,012	4,711	-	7,723
Telephone and internet	-	10,318	-	10,318
Dues and subscriptions	56	5,423	112	5,591
Travel	1,114	2,368	-	3,482
Fees and charges	-	2,571	-	2,571
Utilities	-	1,855	-	1,855
Printing, postage, and copying	529	65	-	594
Total operating expenses	<u>503,294</u>	<u>242,219</u>	<u>3,494</u>	<u>749,007</u>
Non-cash expenses				
In-kind expenses	105,740	-	-	105,740
Depreciation	-	4,383	-	4,383
Total expenses	<u>\$ 1,982,876</u>	<u>\$ 509,941</u>	<u>\$ 3,494</u>	<u>\$ 2,496,311</u>

See independent auditors' report and notes to the financial statements

THE SAVILA COLLABORATIVE DBA CENTRO SAVILA

Notes to the Financial Statements

June 30, 2022 and 2021

NOTE 1 - NATURE OF ORGANIZATION

The Savila Collaborative dba Centro Savila (the Organization), is a New Mexico nonprofit organization devoted to the recovery and healing of individuals, families, and communities suffering from emotional and psychological distress. The comprehensive model of care works to decrease health disparities in Bernalillo County by providing: outpatient mental health services, case management, Free Health Insurance Enrollment Assistance for Medicaid and the NM Health Insurance Exchange, school-based restorative justice programs, food security support, drug and alcohol counseling, recovery support, and supervision, training and research opportunities for students and health professionals.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of the accompanying financial statements are as follows:

Basis of Presentation

The Organization's financial statements are presented in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 2016-14, *Not-for-Profit Entities, Presenting Financial Statements*. Under ASC 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. In addition, the Organization is required to present a statement of cash flows and a statement of functional expenses.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Revenue Recognition

The Organization's financial statements are presented in accordance with FASB Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers. Under, ASC 2014-09 the Organization is required to recognize revenue to transfer of goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services.

THE SAVILA COLLABORATIVE DBA CENTRO SAVILA

Notes to the Financial Statements

June 30, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Revenue recognition for the Organization is as follows:

Contributions and Grants

Unconditional promises to give are recognized as revenue in the period the promise was made. Contributions, grants, and bequests are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-imposed restrictions are released 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. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Conditional grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures or deliverables, as defined in each contract, are met. Funds received but not yet earned are shown as Deferred Revenue. Expenditures under contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

Contributions Received and Contributions Made

The Organization adopted FASB ASU No. 2018-08 – *Not for Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update provides a more robust framework for determining whether a transaction should be accounted for as a contribution or an exchange transaction. To accomplish this, the ASU clarifies how a not-for-profit organization determines whether a resource provider is receiving value in return for the resources transferred based on the following criteria:

- A resource provider (including a private foundation, a government agency, or other) is not synonymous with the general public. Indirect benefit received by the public as a result of the assets transferred is not equivalent to commensurate value received by the resource provider.
- Execution of a resource provider's mission or the positive sentiment from acting as a donor would not constitute commensurate value received by a resource provider for purposes of determining whether a transfer of assets is a contribution or an exchange.

THE SAVILA COLLABORATIVE DBA CENTRO SAVILA

Notes to the Financial Statements

June 30, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions Received and Contributions Made (continued)

In addition, this ASU also requires an organization to determine whether a contribution is conditional based on whether the agreement includes a barrier that must be overcome or whether a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions. Major estimates of the Organization include depreciable lives and estimated residual value of property and equipment.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks with original maturity dates of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Accounts Receivable

Revenue is recognized when costs related to the grant or contract have been incurred. Receivables as of year-end consist of contract receivables from state agencies. Management has deemed all receivable balances to be fully collectible as of June 30, 2022, and 2021. As such, no allowance for doubtful accounts has been established.

Property and Equipment

Purchased property and equipment is recorded at cost. Donated property is recorded at the estimated fair value at the date of donation. Assets are capitalized that have a cost in excess of \$2,000. Maintenance, repairs, and renewals, which neither materially add to the value nor appreciably prolong its life, are expensed. Depreciation is computed using primarily the straight-line method over the estimated useful life of the assets as follows:

Computers and equipment	3-5 years
Furniture and fixtures	5-7 years

THE SAVILA COLLABORATIVE DBA CENTRO SAVILA

Notes to the Financial Statements

June 30, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accrued Leave

The Organization's full-time employees earn paid time off in accordance with the Organization's policy. When applicable, the Organization records a liability for accrued vacation leave earned by employees.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. 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 restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released 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.

Donated Materials and Services

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specified purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

THE SAVILA COLLABORATIVE DBA CENTRO SAVILA

Notes to the Financial Statements

June 30, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Materials and Services (continued)

Donated services are recognized as contributions in accordance with FASB ASC 958-605 *Revenue Recognition* if the services (a) create or enhance non-financial assets or (b) require specialized skills, performed by people with those skills, which would otherwise be purchased by the Organization. The Organization received donated services of \$57,817 and \$105,740 for the years ended June 30, 2022, and 2021, respectively.

Functional Allocation of Expenses

The costs of providing the fundraising activities, various programs, and support services have been allocated to functions based on payroll hours and/or actual expenses incurred in the statement of functional expenses. Accordingly, certain costs have been allocated among the fundraising activities, programs, and supporting services benefited.

Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred. There was zero advertising expense incurred for the years ended June 30, 2022, and 2021.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the U. S. Internal Revenue Code (IRC). In addition, the Organization qualifies for charitable contribution deductions under IRC section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under IRC Section 509(a)(2). The Organization is also exempt from New Mexico state income tax under 1978 New Mexico Statutes Chapter 7, Section 2-4(B).

The Organization has adopted accounting principles generally accepted in the United States of America as they relate to uncertain tax positions and has evaluated its tax positions taken for all open tax years. The Organization is not currently under audit. Management believes that the activities of the Organization are within its tax-exempt purpose and that there are no uncertain tax positions.

THE SAVILA COLLABORATIVE DBA CENTRO SAVILA

Notes to the Financial Statements

June 30, 2022 and 2021

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 53,087	\$ 47,837
Furniture and fixtures	3,864	3,864
Equipment	<u>18,420</u>	<u>18,420</u>
Total property and equipment	75,371	70,121
Accumulated depreciation	<u>(17,569)</u>	<u>(10,169)</u>
Property and equipment, net	<u>\$ 57,802</u>	<u>\$ 59,952</u>

Depreciation expense totaled \$7,400 and \$4,383 for the years ended June 30, 2022, and 2021, respectively.

NOTE 4 - REFUNDABLE ADVANCE – PAYCHECK PROTECTION PROGRAM

In May 2020, the Organization received loan proceeds in the amount of \$201,420 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying organizations for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying organization. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. Forgiveness of the loan is contingent upon the satisfaction of conditions stipulated in the loan agreement that, as of year-end, have not been fully satisfied. As such, the entire amount of the loan is recognized as a noncurrent liability in the statement of financial position. The Organization has used the proceeds for purposes consistent with the agreement and believes that its use of the loan proceeds will meet the conditions for at least partial forgiveness of the loan. The PPP was forgiven during fiscal year 2022 and recorded as “other income” in the statement of activities.

THE SAVILA COLLABORATIVE DBA CENTRO SAVILA

Notes to the Financial Statements

June 30, 2022 and 2021

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Restricted for time	\$ 390,000	\$ 168,000
Total net assets with donor restrictions	<u>\$ 390,000</u>	<u>\$ 168,000</u>

NOTE 6 - LEASE COMMITMENTS

The Organization leases office space from the Executive Director under an operating lease that expires November 2022, with monthly payments of \$1,800. The Organization also leases two other office spaces that expired in fiscal year 2022 and are now month to month. The lease expense was \$53,468 and \$51,727 for the years ended June 30, 2022, and 2021, respectively.

Future lease payments for the year ended June 30, 2023 are \$7,200.

NOTE 7 - RETIREMENT PLAN

The Organization maintains a defined contribution plan covering substantially all employees. Employees are eligible for participation after 60 days of service and age 20. Under the plan, the Organization will match up to 3% of the employee's salary.

The expense related to this plan for the years ended June 30, 2022 and 2021 was \$46,640 and \$15,850, respectively, and is included in "fringe benefits" in the accompanying statement of functional expenses.

NOTE 8 - FISCAL SPONSORSHIP

The Organization complies with FASB ASC 958-605, *Transfers of Assets to a Not-for-Profit Organization or a Charitable Trust that Raises or Holds Contributions for Others*. The Statement requires the recognition of liability by the recipient organization for a transfer of assets when the resource provider specifies itself or an affiliate as the beneficiary. During the year, the Organization received a total of \$25,000 and disbursed \$25,000 on behalf of the agency.

THE SAVILA COLLABORATIVE DBA CENTRO SAVILA

Notes to the Financial Statements

June 30, 2022 and 2021

NOTE 9 - CONCENTRATION

The Organization receives a substantial amount of support from grants and contracts. There were three agencies and donors that provided 60% of all revenue recorded during 2022, and two agencies that provided 66% of all revenue recorded during 2021. From these agencies, there was a receivable balance of \$611,637 and \$312,176 as of June 30, 2022, and 2021, respectively.

NOTE 10 - CONTINGENCIES

Grants received from outside agencies expended by the Organization are subject to fiscal and/or program compliance audits by the grantors, which may result in disallowed expenditures. As of June 30, 2022, and 2021, there were no material claims pending for disallowed expenditures that have not been recorded in the financial statements.

NOTE 11 - SUPPLEMENTAL DISCLOSURE OF CASH FLOWS

The Organization was not under obligation to pay interest or income taxes for the years ended June 30, 2022, and 2021. The Organization did not have non-cash transaction activity for the years ended June 30, 2022, and 2021.

NOTE 12 - LIQUIDITY AND AVAILABILITY

The Organization receives significant government support, grants, and program revenue without donor restrictions. Such support represented approximately 79% and 87% of annual program funding in 2022 and 2021, respectively.

As part of the Organization's liquidity management, it ensures its financial assets are available as its general expenditures, liabilities and other obligations come due.

As of June 30, 2022, and 2021, the Organization had working capital of approximately \$931,167 and \$748,138 and average days cash on hand of 24 days and 59 days, respectively.

THE SAVILA COLLABORATIVE DBA CENTRO SAVILA

Notes to the Financial Statements

June 30, 2022 and 2021

NOTE 12 - LIQUIDITY AND AVAILABILITY (continued)

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that commitments and obligations that support mission fulfillment will continue to be met, ensuring the sustainability of the Organization.

Financial assets available for general expenditures within one year as of June 30 are as follows:

	<u>2022</u>	<u>2021</u>
Financial assets as of year end:		
Cash	\$ 181,231	\$ 403,998
Accounts receivable and fiscal sponsorship	<u>985,276</u>	<u>593,761</u>
Total financial assets available for general expenditures within one year	<u>\$ 1,166,507</u>	<u>\$ 997,759</u>

NOTE 13 - SUBSEQUENT EVENTS

We evaluated subsequent events after the statement of financial position date of June 30, 2022, through January 25, 2023 which was the date the financial statements were available to be issued, to determine whether such events should be recorded or disclosed in the financial statements for the year ended June 30, 2022. Management has concluded that there were no material subsequent events that require adjustment or disclosure.