



**ALBUQUERQUE AREA INDIAN
HEALTH BOARD, INC.**

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

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ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
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FOR THE YEAR ENDED SEPTEMBER 30, 2023

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**ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
OFFICIAL ROSTER
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Board of Directors

Donnie Garcia, Chairman	Jicarilla Apache Nation
Jacqueline Platero, Vice Chair	To'hajiilee Navajo Band
Beverly J. Cohoy, Secretary/Treasurer	Ramah Band of Navajo
Linda Baker	Southern Ute Indian Tribe
Marjorie Barry	Southern Ute Indian Tribe
Conrad Jacket	UTE Mountain Ute Tribe
Euphrasia Platta	Mescalero Apache Tribe

Principal Administrative Officials

Ayn Whyte	Executive Director
Vernon Laughlin	Finance Director

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Board of Directors
Albuquerque Area Indian Health Board, Inc.
Albuquerque, NM

Opinion

We have audited the accompanying financial statements of the business-type activities of the Albuquerque Area Indian Health Board, Inc. (the AAIHB), as of and for the year ended September 30, 2023, and the related notes to the financial statements which collectively comprise the AAIHB's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities of the AAIHB, as of September 30, 2023, and the changes in net position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAGAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the AAIHB, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 GAAP, 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 AAIHB's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAGAS 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 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 GAAS and the standards applicable to financial audits contained in GAGAS, 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 AAIHB'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 AAIHB'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the AAIHB's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards (SEFA), as required by Title 2 U.S. Code of Federal Regulations (CFR) 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 basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the SEFA was fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by GAGAS

In accordance with GAGAS, we have also issued our report dated January XX, 2026, on our consideration of the AAIHB'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with GAGAS in considering the AAHIB's internal control over financial reporting and compliance.

Hinkle + Landers, P.C.

Hinkle + Landers, PC
Albuquerque, NM
January 22, 2026

**ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Background

The Albuquerque Area Indian Health Board, Inc. (the AAIHB) is a nonprofit, 501(c)(3), consortium of six federally recognized tribes in New Mexico and Southern Colorado. The AAIHB was incorporated in 1980 to provide direct health care services and to foster self-determination in health care delivery systems. Each tribe appoints a representative to the AAIHB board of directors. These representatives assess and advocate for the health care needs of twenty-seven tribal communities within the greater Albuquerque southwest area.

Introduction

This section of the AAIHB’s annual financial report introduces the basic financial statements and presents an analytical overview of the financial position and changes in financial position for the fiscal year ended September 30, 2023. Management has prepared this information; it should be read in conjunction with the Independent Auditor’s Report, audited financial statements and notes thereto. The information being presented provides additional information regarding the activities of the AAIHB and meets the disclosure requirements of GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis –for State and Local Governments*.

Statement of Net Position

The Statement of Net Position is a list of the assets and liabilities of the AAIHB at September 30, 2023 with the difference being the net position. The net position is categorized as “Net Investment in Capital Assets,” “Restricted,” or “Unrestricted.”

Net Investment in Capital Assets includes capital assets, such as buildings and equipment, as well as right-to-use (RTU) assets recognized under lease agreements, net of accumulated depreciation and amortization, reduced by related debt and lease liabilities.

Restricted Net Position represents resources subject to externally imposed restrictions on their use.

Unrestricted Net Position represents all other resources over which the Board retains full control for use in operations and programs.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Condensed Statement of Net Position

ASSETS	2023	2022	Change	% Change
Current Assets	\$ 7,158,368	6,641,260	517,108	8%
Non-Current Assets	1,040,781	1,079,540	(38,759)	-4%
Total Assets	<u>\$ 8,199,149</u>	<u>7,720,800</u>	<u>478,349</u>	<u>4%</u>
LIABILITIES				
Current Liabilities	6,314,439	6,739,525	(425,086)	-6%
Receipts From Grants	712,698	16,828	695,870	4135%
Total Liabilities	<u>7,027,137</u>	<u>6,756,353</u>	<u>270,784</u>	<u>4%</u>
NET POSITION				
Net Investment in Capital Assets	298,505	309,448	(10,943)	-4%
Restricted	343,430	475,054	(131,624)	-28%
Unrestricted	530,077	179,945	350,132	195%
Total Net Position	<u>1,172,012</u>	<u>964,447</u>	<u>207,565</u>	<u>22%</u>
Total Liabilities and Net Position	<u>\$ 8,199,149</u>	<u>7,720,800</u>	<u>478,349</u>	<u>6%</u>

There was an increase of 22 percent in the AAIHB's net position over the prior fiscal year. Total assets experienced a 4 percent increase due to grants receivable. The significant change in non-current liabilities is due to the mortgage payable. As stated in the Notes to the Financial Statements, a portion of the mortgage payable was reclassified from long-term liabilities to short-term liabilities in the prior fiscal year due to an expected balloon payment. During the current fiscal year, the mortgage payable was refinanced.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Assets presents the AAIHB's results of operations for the years ended September 30. Below is the Condensed Statement of Revenues, Expenses, and Changes in Net Assets as of September 30, 2023.

Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>% Change</u>
Operating Revenues				
Program Service Fees	\$ 388,376	386,799	1,577	0%
Governmental Grants	11,062,680	9,617,160	1,445,520	15%
Private Donations and Grants	122,110	188,584	(66,474)	-35%
Other Revenue	15,120	20,114	(4,994)	-25%
Total Operating Revenue	<u>11,588,286</u>	<u>10,212,657</u>	<u>1,375,629</u>	<u>13%</u>
Operating Expenses				
Direct Program Expenses	10,348,276	9,040,376	1,307,900	14%
Indirect Cost Expenses	<u>1,209,923</u>	<u>1,182,525</u>	<u>27,398</u>	<u>2%</u>
Total Operating Expenses	<u>11,558,199</u>	<u>10,222,901</u>	<u>1,335,298</u>	<u>13%</u>
Operating Surplus (Deficit)	30,087	(10,244)	40,331	-394%
Nonoperating Revenue (Expenses)				
Investment Income (Expense)	237,921	(417,595)	655,516	-157%
Loss on Sale of Assets	(9,615)	-	(9,615)	100%
Interest on Capital Debt	(50,618)	(30,434)	(20,184)	66%
Interest on Lease Liability	<u>(210)</u>	<u>(212)</u>	<u>2</u>	<u>-1%</u>
Net Nonoperating Revenue (Expenses)	<u>177,478</u>	<u>(448,241)</u>	<u>625,719</u>	<u>-140%</u>
Change in Net Position	207,565	(458,485)	666,050	-145%
Total Net Position, Beginning of Year	<u>964,447</u>	<u>1,422,932</u>	<u>(458,485)</u>	<u>-32%</u>
Total Net Position, End of Year	<u>\$ 1,172,012</u>	<u>964,447</u>	<u>207,565</u>	<u>22%</u>

In fiscal year 2023, operating revenues and corresponding expenses experienced a parallel increase of 13 percent due to expanded program activities. The AAIHB investment portfolio experienced an increase due to unrealized gains and interest income.

**ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Expenses Classified by Function

A comparative summary of the AAIHB’s operating expenses by functional classification for the years ended September 30, 2023 and 2022 is included below:

	<u>2023</u>	<u>2022</u>
Audiology	\$ 1,042,985	1,133,033
HIV/AIDS/STI Prevention	844,730	300,906
Cancer Prevention	620,627	494,728
Covid Mitigation	2,135,644	2,826,816
Epidemiology/Research	2,950,144	2,395,520
Community Based Public Health Initiatives	2,724,252	1,828,389
Special Projects	30,338	61,610
Overhead/Administration	1,209,479	1,181,899
	<u>11,558,199</u>	<u>10,222,901</u>

Future Outlook

The AAIHB anticipates continued incremental growth in programmatic services delivery and expects continued financial stability into the future.

Contacting the AAIHB’s financial management personnel

This report intends to provide a general overview of the AAIHB’s financial resources and commitments and to demonstrate the AAIHB’s responsible stewardship of the funding it receives. Questions and requests for additional information can be addressed via email to vlaughlin@aaihb.org.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2023

ASSETS

Current Assets

Receipts From Grants	\$ 814,336
Investments	3,587,919
Grants Receivable	2,361,655
Other Receivables, Net of Allowance of \$2,551	343,320
Employee Receivables	2,685
Prepaid Expenses	45,953
Refundable Deposits	2,500
Total Current Assets	<u>7,158,368</u>

Non-Current Assets

Capital Assets, Net	<u>1,040,781</u>
Total Assets	<u>\$ 8,199,149</u>

LIABILITIES

Current Liabilities

Accounts Payable	\$ 1,850,247
Salaries Payable	119,015
Accrued Payroll Expenses	402,824
Mortgage Payable	17,960
Lease Liability	11,618
Compensated Absences	153,508
Unearned Revenue	<u>3,759,267</u>
Total Current Liabilities	<u>6,314,439</u>

Non-Current Liabilities

Mortgage Payable	707,487
Lease Liability	<u>5,211</u>
Total Non-Current Liabilities	<u>712,698</u>
Total Liabilities	<u>7,027,137</u>

NET POSITION

Net Investment in Capital Assets	298,505
Restricted	343,430
Unrestricted	<u>530,077</u>
Total Net Position	<u>1,172,012</u>
Total Liabilities and Net Position	<u>\$ 8,199,149</u>

The independent auditor's report and accompanying notes are an integral part of these financial statements.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
AS OF SEPTEMBER 30, 2023

OPERATING REVENUES

Receipts From Grants	\$ 4,618,161
Grant Award Income-CDC	3,799,292
Grant Award Income-SAMHSA	1,275,079
Grant Award Income-DOT	25,710
Grant Award Income-NIH	224,802
Grant Award Income-State of NM	316,568
Private Foundation Grants	119,610
Sub Award Income	803,068
Program Service Fees	388,376
Private Donations	2,500
Other Revenue	<u>15,120</u>
Total Operating Revenues	11,588,286

OPERATING EXPENSES-DIRECT

Salaries	3,455,479
Benefits	541,111
Payroll Taxes	261,727
Project Supplies	1,094,294
Consultant Fees	1,395,196
Tribal Subawards	2,328,257
Travel	750,173
Occupancy Costs	145,935
Training and Certification	87,329
Depreciation	48,123
Amortization	11,538
Equipment Lease/Maintenance	59,617
Communication	101,698
Late Fees and Interest	276
Dues, Fees, Subscriptions	67,287
Insurance	<u>236</u>
Total Operating Expenses-Direct	<u>10,348,276</u>

The independent auditor's report and accompanying notes are an integral part of these financial statements.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION-CONTINUED
FOR THE YEAR ENDED SEPTEMBER 30, 2023

OPERATING EXPENSES-INDIRECT	
Salaries	749,470
Benefits	98,106
Payroll Taxes	56,777
Board Travel	52,515
Office Supplies	57,181
Professional Fees	40,016
Directors Fees	33,000
Training	14,965
Depreciation	16,664
Amortization	1,977
Staff Travel	24,023
Equipment Maintenance	9,886
Occupancy Costs	21,400
Communication	8,576
Dues, Fees, Subscriptions	25,364
Insurance	3
Total Operating Expenses-Indirect	1,209,923
Operating income	30,087
NON-OPERATING REVENUE (EXPENSES)	
Net Investment Gain	237,921
Loss on Sale of Investments	(9,615)
Interest on Capital Debt	(50,618)
Interest on Lease Liability	(210)
Total Non-Operating Revenues (Expenses)	177,478
Change in Net Position	207,565
Net Position, Beginning of Year	964,447
Net Position, End of Year	\$ 1,172,012

The independent auditor's report and accompanying notes are an integral part of these financial statements.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts for Program Services	\$ 388,376
Receipts From Grants	10,432,361
Receipts of Private Donations	2,500
Receipts of Other Revenue	15,120
Payments to Employees for Services	(4,520,154)
Payments to Suppliers for Goods or Services	<u>(6,353,644)</u>
Net Cash Used by Operating Activities	(35,441)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal Paid on Capital Debt	(14,351)
Interest Paid on Capital Debt	(50,618)
Principal Portion of Lease Payments	(13,465)
Purchase of Equipment	(39,512)
Lease Interest Expense	<u>(210)</u>
Net Cash Used by Capital and Related Financing Activities	(118,156)

CASH FLOWS FROM INVESTING ACTIVITIES

Dividend and Interest Received	<u>112,636</u>
Net Cash Provided by Investing Activities	<u>112,636</u>

Net Decrease in Cash, Restricted Cash and Cash Equivalents	(40,961)
Balances-Beginning of Year	<u>855,297</u>
Balances-End of Year	<u>\$ 814,336</u>

Reconciliation of Operating Income to Net Cash Used by Operating Activities

Operating Income	\$ 30,087
Adjustments	
Depreciation Expense	64,787
Amortization Expense	13,515
Change in Assets and Liabilities:	
Increase in Grants Receivables	(392,737)
Increase in Other Receivables	(117,807)
Decrease in Prepaid Expenses	68,114
Increase in Accounts Payable	213,973
Decrease in Unearned Revenue	(239,385)
Increase in Accrued Liabilities	310,435
Increase in Compensated Absences	<u>13,577</u>
Net Cash Used by Operating Activities	<u>\$ (35,441)</u>

The independent auditor's report and accompanying notes are an integral part of these financial statements.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1—Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Albuquerque Area Indian Health Board, Inc. (the AAIHB) was incorporated as a nonprofit organization on February 4, 1980. The AAIHB is primarily funded by the U.S. Department of Health and Human Services. For financial reporting purposes, the AAIHB is considered a governmental entity because its Board of Directors is appointed by members of tribal governments. The governing board includes representatives from the To'Hajiilee Band of Navajos, the Ramah Band of Navajos, the Jicarilla Apache Nation, the Mescalero Apache Tribe, the Ute Mountain Ute Tribe, and the Southern Ute Indian Tribe.

The AAIHB is a special-purpose government entity engaged only in business-type activities and follows accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities, as promulgated by the Governmental Accounting Standards Board (GASB).

The AAIHB's mission is to promote the welfare and well-being of Indian communities through the delivery of public health services and education outreach initiatives.

In accordance with Governmental Accounting Standards Board (GASB) 14, *The Financial Reporting Entity*, as amended by GASBs 39, 61, 80, and other applicable standards, the financial statements must present the primary government and its component units. Based on this guidance, no component units were identified for inclusion in the accompanying financial statements.

B. Operations & Budgetary Data

The operations of the AAIHB include providing health-related services and disseminating health information to tribal communities in the Albuquerque, New Mexico area. As noted above, the Board's operating revenues and expenses are primarily funded through grants from the U.S. Department of Health and Human Services.

In the Statement of Cash Flows, cash flows from financing and investing activities are presented in those respective sections.

Grant budgets are subject to annual review and negotiation with the respective funding agencies. The AAIHB is not required to legally adopt annual budgets.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

C. Basis of Presentation-Fund Financial Statements

The accounts of the AAIHB are organized on the basis of a single enterprise (proprietary) fund. Activities are reported as business-type activities and presented using a single proprietary fund. The fund is accounted for using self-balancing accounts that include all assets, deferred outflows of resources (if applicable), liabilities, deferred inflows of resources (if applicable), net position, revenues, and expenses. In this report, the proprietary fund is presented through the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

Enterprise Fund

The proprietary (enterprise) fund is used to account for operations that (a) are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods or services on a continuing basis be primarily recovered through user charges; or (b) where the governing body has determined that periodic measurement of revenues, expenses, and changes in net position is appropriate for purposes such as capital maintenance, public policy, management control, or accountability.

Measurement Focus

The proprietary fund is accounted for using the economic resources measurement focus, and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (both current and noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position reports all increases (revenue) and decreases (expenses) in total net position. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when liabilities are incurred.

Operating and Non-Operating Items

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with the fund's principal ongoing activities. The principal operating revenues of the AAIHB include grant revenue directly related to program service delivery, program service fees, and contributions. Operating expenses include program and administrative costs and depreciation and amortization. Other revenue and expenses, including investment income, are reported as non-operating.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net Position Classification

- *Net Investment in Capital Assets*—Represents the AAIHB’s total investment in capital assets, net of accumulated depreciation and any related debt obligations.
- *Restricted Net Position*—Represents resources subject to externally imposed restrictions that limit their use. These typically include grants, contributions, and program service fees, net of related expenses.
- *Unrestricted Net Position* – Consists of resources over which the Board of Directors retains full discretion for use in carrying out the AAIHB’s purposes.

When both restricted and unrestricted resources are available to fund an expense, it is the AAIHB’s policy to apply restricted resources first, followed by unrestricted resources.

D. Cash Equivalents

For purposes of the Statement of Cash Flows, the AAIHB considers all cash on hand and deposits held at financial institutions that are readily available for withdrawal without restriction to be cash and cash equivalents.

E. Investments

The AAIHB accounts for investments in accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Under this standard, investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value in the Statement of Net Position.

Unrealized gains and losses are reported as investment income in the Statement of Revenues, Expenses, and Changes in Net Position. Net position classification (restricted vs. unrestricted) depends on external restrictions on the underlying resources. Investments are recorded at quoted market values, and fair value classifications are determined in accordance with applicable fair value measurement standards.

See Note 3 for additional information on fair value measurements and investment details.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

F. Property, Equipment, and Depreciation

Property and equipment are recorded at cost or, if donated, at their estimated fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets (see table below).

Routine repairs and maintenance are charged to expense as incurred. Major improvements and replacements that extend the useful life of an asset are capitalized. The AAIHB's capitalization policy is to capitalize individual assets with a cost in excess of \$5,000 and an estimated useful life of greater than one year.

Estimated useful lives are as follows:

<u>Asset Type</u>	<u>Years</u>
Buildings	20
Equipment	3-15

G. Leases

The AAIHB adopted GASB 87, *Leases*, in fiscal year 2022. This standard requires recognition of lease assets and liabilities for non-cancelable agreements with a term of more than 12 months (including options reasonably certain to be exercised). At lease commencement, the AAIHB recognizes a lease liability and a corresponding right-to-use asset, both measured at the present value of expected future lease payments. The discount rate used is the AAIHB's estimated incremental borrowing rate unless the interest rate implicit in the lease is readily determinable.

Lease liabilities are reduced as payments are made, and the right-to-use assets are amortized over the shorter of the lease term or the useful life of the underlying asset. Short-term leases (12 months or less) are not recorded on the Statement of Net Position and are expensed as incurred.

H. Receivables and Allowance for Uncollectible Accounts

Grant receivables are reported at their unpaid balances. As of September 30, 2023, management considers all grant receivables to be fully collectible; accordingly, no allowance for uncollectible grant receivables has been recorded.

Other receivables are stated at their unpaid balances, net of an allowance for uncollectible accounts. Management evaluates the adequacy of the allowance based on historical

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

collection experience and other relevant factors. Receivables are written off when deemed uncollectible. As of September 30, 2023, the allowance for uncollectible accounts was \$2,551.

I. Federal and State Grants

Grant revenue is recognized when eligible program expenditures are incurred in accordance with the terms of the applicable agreements. Expenditures are subject to audit and review by funding agencies and may result in disallowances in subsequent periods. Grants receivable represent amounts due for program expenditures incurred in excess of reimbursements received. All such receivables are considered collectible. Unearned revenue—representing reimbursements received in advance of eligible expenditures—is recognized as a liability until the related costs are incurred.

J. Compensated Absences

Employees earn vacation leave based on years of service and accrue four (4) hours of sick leave per pay period. Up to 80 hours of unused vacation leave may be carried forward into the subsequent calendar year. All unused sick leave may also be carried forward without limitation. Upon separation from employment, employees are compensated for accrued vacation leave up to a maximum of 120 hours. Sick leave is not paid upon termination.

K. Income Tax Status

The AAIHB is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

L. Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses, as well as related disclosures. Actual results may differ from those estimates.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 2—Cash, Restricted Cash, and Cash Equivalents

The AAIHB’s cash, restricted cash, and cash equivalents as of September 30 were as follows:

Institution	Type		
Morgan Stanley	Savings	\$	538,199
Morgan Stanley	Money Market		256,653
Mutual of America	Money Market		10,764
U.S. Bank	Checking		8,390
Petty Cash	On-Hand		330
Total		\$	814,336

Deposit and Investment Risks

- Custodial Credit Risk—Deposits- The AAIHB maintained deposit accounts at U.S. Bank, Mutual of America, and Morgan Stanley. Balances at U.S. Bank (\$8,390) and Mutual of America (\$10,764) were fully insured by the Federal Deposit Insurance Corporation (FDIC) at year-end. Deposits at Morgan Stanley totaled \$794,852, of which approximately \$250,000 was covered by FDIC insurance. The remaining \$544,852 was not insured and is therefore subject to custodial credit risk. The AAIHB does not maintain a separate deposit policy for custodial credit risk.
- Credit Risk-The AAIHB also holds funds in brokerage and investment accounts at Mutual of America and Morgan Stanley, including money market mutual funds. These accounts are subject to Securities Investor Protection Corporation (SIPC) insurance coverage, up to \$500,000, in the event of broker-dealer insolvency, but the SIPC does not protect against declines in market value. The money market mutual funds are generally rated in the highest short-term credit quality category by nationally recognized rating agencies.
- Interest Rate Risk-Money market mutual funds and savings accounts are highly liquid and not subject to significant interest rate risk given their short maturities.
- Concentration of Credit Risk-The AAIHB did not hold investments in any single issuer that represented more than 5% of total cash and investments, other than money market mutual funds and amounts explicitly guaranteed by the U.S. government.
- Foreign Currency Risk-The AAIHB does not hold deposits or investments denominated in foreign currencies.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Restricted cash consists of amounts received under grants, contributions, or program service arrangements that are subject to externally imposed restrictions on their use.

NOTE 3—Investments

The AAIHB follows the provisions of GASB 72, *Fair Value Measurement and Application*, which establishes a hierarchy of inputs used to measure fair value. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1

Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that the government can access at the measurement date. Examples include equity securities traded on an open exchange, actively traded mutual funds, and U.S. Treasury securities.

Level 2

Inputs are other observable inputs that are significant to the valuation, including:

1. Quoted prices for similar assets or liabilities in active markets;
2. Quoted prices for identical or similar assets or liabilities in markets that are not active;
3. Observable inputs other than quoted prices, such as:
 - a) Interest rates and yield curves observable at commonly quoted intervals,
 - b) Implied volatilities, and
 - c) Credit spreads;
4. Market-corroborated inputs.

Examples include: bonds valued using matrix pricing or yield curves, and interest rate swaps valued using LIBOR-based inputs.

Level 3

Inputs are unobservable and significant to the valuation of the asset or liability. Examples include: commercial real estate valued using projected cash flows based on internal data, or interest rate swaps using non-observable inputs.

As of September 30, 2023, all of the AAIHB's investments were valued using Level 1 inputs.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>	<u>% of Total</u>
Stocks	\$ 34,045	-	-	34,045	1%
Mutual Funds	3,513,682	-	-	3,513,682	98%
Bonds	40,192	-	-	40,192	1%
Total	<u>\$ 3,587,919</u>	<u>-</u>	<u>-</u>	<u>3,587,919</u>	<u>100%</u>

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 4—Grants Receivable

Grants receivable as of September 30, 2023, consist of the following:

Indian Health Services (IHS)	
Epidemiology Cooperative Agreements	\$ 456,392
Covid-19: Indian Self-Determination Nonrecurring Funds	123,796
Covid-19: Epidemiology Cooperative Agreements	54,637
Injury Prevention Program for American Indians and Alaskan Natives - Cooperative Agreements	418
Demonstration Projects for Indian Health (AAIHB Community Opioid Intervention Pilot Project)	64,604
Demonstration Projects for Indian Health (AAIHB Ending the HIV/HCV Epidemics in Indian Country Project)	<u>46,457</u>
Receipts From Grants	<u>746,304</u>
Centers for Disease Control and Prevention (CDC)	
CDC Indian Wellness	473,425
CDC Community Health Workers - COVID 19	483,973
CDC Good Health and Wellness	100,669
CDC Infrastructure Development	50,250
CDC Strengthening Public Health - COVID 19	17,535
CDC Capacity Building	<u>14,819</u>
Total CDC	<u>1,140,671</u>
Center for Mental Health Services Administration Substance Abuse and Mental Health Services (SAMHSA)	
Prevention	60,140
Substance Abuse	132,831
HIV	14,241
Intergenerational	20,375
Opioid STR	<u>82,218</u>
Total SAMHSA	<u>309,805</u>
National Institutes of Health (NIH)	
Biomedical Research and Training	21,713
-Pass Through-University of New Mexico	
21st Century Cures Act	36,234
Cancer Control	52,416
-Pass Through-University of Utah	
Drug Abuse and Addiction Research	<u>(5,320)</u>
Total NIH	<u>105,043</u>
State Grants	
New Mexico BHSD	11,706
New Mexico Department of Health - Data summit	44,781
Private Grants	
Patient Centered Outcomes Research Institute - UNM HSC	<u>3,345</u>
Total Grants Receivable	<u>\$ 2,361,655</u>

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Other receivables as of September 30, 2023 are as follows:

UNM Health Sciences Division	\$	141,637
State of New Mexico		74,727
University of Utah		47,890
CDC Foundation		40,193
Great Lakes ITC		19,139
Pueblo of San Felipe		5,006
Bureau of Indian Affairs		3,865
Alamo Health Center		2,570
Other		10,844
Less: Allowance for Uncollectible Accounts		(2,551)
	\$	<u>343,320</u>

NOTE 5—Capital Assets

Property and equipment as of September 30, 2023, consisted of the following:

	<u>2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>2023</u>
Non-Depreciable Capital Assets				
Land	\$ 336,600	-	-	336,600
Total Non-Depreciable Capital Assets	336,600	-	-	336,600
Capital Assets Being Depreciated				
Buildings	955,606	13,831	-	969,437
Equipment	300,631	25,712	(9,513)	316,830
Total Capital Assets Being Depreciated	1,256,237	39,543	(9,513)	1,286,267
Less Accumulated Depreciation				
Buildings	(269,428)	(54,169)	-	(323,597)
Equipment	(274,085)	(10,618)	9,513	(274,190)
Total Accumulated Depreciation	(543,513)	(64,787)	9,513	(598,787)
Capital Assets Being Amortized				
Right-to-Use Asset - Postage Lease	10,381	-	-	10,381
Right -to-Use Asset - Copier Lease	32,691	-	-	32,691
Total Capital Assets Being Amortized	43,072	-	-	43,072
Less Accumulated Amortization				
Right-to-Use Asset - Postage Lease	(1,318)	(1,977)	-	(3,295)
Right -to-Use Asset - Copier Lease	(11,538)	(11,538)	-	(23,076)
Total Accumulated Amortization	(12,856)	(13,515)	-	(26,371)
Capital Assets, Net	\$ <u>1,079,540</u>	<u>(38,759)</u>	<u>-</u>	<u>1,040,781</u>

Depreciation expense for the year ended September 30, 2023 was \$64,787. Amortization expense related to leased assets for the year ended September 30, 2023, was \$13,515.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 6—Leases

The AAIHB has lease agreements for office equipment that meet the criteria for recognition under GASB 87, *Leases*. These agreements are non-cancelable and have initial terms greater than twelve months. As of September 30, 2023, all lease agreements are classified as leases under GASB 87 and result in the recognition of RTU assets and corresponding lease liabilities.

The AAIHB's leasing arrangements at September 30, 2023, are summarized as follows:

Classification	Number of Leases	Remaining Lease Terms	Interest Rates
Equipment (copiers, etc.)	2	1–5 years	0.49% and 1.61%

Lease Liabilities

The following is a summary of changes in lease liabilities for the year ended September 30, 2023:

	2022	Increases	Decreases	2023	Current Portion
Lease Liabilities \$	<u>30,294</u>	<u>-</u>	<u>(13,465)</u>	<u>16,829</u>	<u>11,618</u>

Future Minimum Lease Payments

Future minimum lease payments under the lease agreements as of September 30, 2023, are as follows:

Year Ending September 30	Principal	Interest	Total
2024	\$ 11,618	123	11,741
2025	1,991	69	2,060
2026	2,024	37	2,061
2027	1,196	6	1,202
2028	-	-	-
	<u>\$ 16,829</u>	<u>235</u>	<u>17,064</u>

NOTE 7—Contingencies—Grantor Agencies

Amounts received or receivable from grantor agencies, primarily the federal government, are subject to audit and adjustment. Any disallowed costs, including amounts already collected, may become liabilities of the AAIHB. At this time, the amount of expenditures that may be disallowed, if any,

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

cannot be reasonably estimated. However, management believes that any potential disallowances would not have a material effect on the financial statements.

NOTE 8—Accrued Payroll Expenses

Accrued liabilities related to payroll as of September 30, 2023, consisted of the following:

Employer Pension Payable	\$ 179,170
Employee Benefit Payable	75,553
Withholdings	72,377
Other Accrued Payable	28,420
FICA/Medicare	24,489
Workers' Compensation	21,876
SUTA Payable	<u>939</u>
Total	<u><u>\$ 402,824</u></u>

NOTE 9—Unearned Revenue

Unearned revenue represents advances received under federal, state, or other award programs for which eligible expenditures had not yet been incurred as of September 30, 2023. The balances by funding source are as follows:

Indian Health Services (IHS)	
Indian Self-Determination	\$ 1,905,021
Indian Self-Determination-ARPA	875,482
Indian Self-Determination	175,378
Indian Self-Determination-COVID-19	94,141
Indian Self-Determination-Nonrecurring COVID-19	<u>139,076</u>
Total IHS	3,189,098
Office of Minority Health Resources Center	23,804
National Indian Health Board	8,810
Non-Federal Grants	<u>537,555</u>
Total Unearned Revenue	<u><u>\$ 3,759,267</u></u>

NOTE 10—Mortgage Payable and Other Long-Term Liabilities

On January 5, 2018, the AAIHB sold its previous office building for \$475,000 and used the proceeds to pay off the remaining mortgage balance of \$252,388. On the same date, the AAIHB purchased a new office building for \$1,050,000, financing \$840,000 of the purchase price through a secured note payable. The note is collateralized by the building and carries a fixed interest rate of 3.99%. Monthly payments of principal and interest, are required. A balloon payment of the remaining balance was due on January 5, 2023. On January 5, 2023, the AAIHB refinanced the mortgage which now carries a fixed interest rate of 7.01%. The collateral remains the building and monthly principal and interest

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

payments of \$5,783.59 are due until the maturity date of January 5, 2028. On January 5, 2028, a balloon payment of \$639,794.35 is due.

A summary of the loan terms is as follows:

<u>Loan Type</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Balance 09/30/23</u>
Mortgage	7.01%	2028	\$ 840,000	\$ 725,447

Future scheduled debt service payments on the outstanding mortgage payable as of September 30, 2023, are as follows:

<u>Year ending September 30,</u>	
2024	\$ 17,960
2025	19,423
2026	20,850
2027	22,381
2028	<u>644,833</u>
	<u>\$ 725,447</u>

The following table summarizes changes in the AAIHB's long-term liabilities for the year ended September 30, 2023:

<u>Long-Term Liabilities</u>	<u>Balance 09/30/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 09/30/23</u>	<u>Current Portion</u>
Mortgage Payable	\$ 739,798	-	(14,351)	725,447	17,960
Compensated Absences	139,931	13,577	-	153,508	153,508
Lease Liability	<u>30,294</u>	<u>-</u>	<u>(13,465)</u>	<u>16,829</u>	<u>11,618</u>
Liabilities	<u>\$ 910,023</u>	<u>13,577</u>	<u>(27,816)</u>	<u>895,784</u>	<u>183,086</u>

NOTE 11—Current Vulnerability Due to Concentrations

The AAIHB receives approximately 91% of its total support through program grants awarded by the U.S. Department of Health and Human Services. While management does not anticipate a reduction or discontinuation of this funding in the near term, any significant decrease in such support could adversely impact the AAIHB's operations and financial condition.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 12—Retirement Plan

Effective August 14, 2020, the AAIHB transitioned from a Simplified Employee Pension (SEP) plan to a 403(b) Thrift Savings Plan. Under the 403(b) plan, eligible employees may contribute a portion of their salary (excluding bonuses) up to the annual limits established by the Internal Revenue Code. The Board of Directors of AAIHB may elect to match a percentage of employees' contributions through Board resolution, provided the employee is at least 21 years of age. During the year ended September 30, 2023 the board elected to match 5%.

Employee contributions are fully vested immediately. Employer contributions are subject to a vesting schedule: 20% after one full year of participation, increasing by 20% per full year, and 100% vested after five years. The AAIHB's total contributions to the retirement plan were \$161,371 for the year ended September 30, 2023.

NOTE 13 – Related Party Transactions

The AAIHB has accounts payable to tribes that are represented by the Board of Directors of \$382,727 and \$5,573 to employees at September 30, 2023. The AAIHB also has immaterial accounts receivable from one board member and from employees as of September 30, 2023. The balances are unsecured, non-interest bearing and due on demand. No allowance has been recorded related to these receivables.

NOTE 14—Risk Management and Litigation

The AAIHB is exposed to various risks of loss related to torts; theft or damage of assets; errors and omissions; employee injuries; and natural disasters. The AAIHB maintains commercial insurance coverage for these risks through private carriers. Management believes coverage is adequate to cover potential claims within policy limits.

Risk exposures are mitigated through employee training and preventive measures, and risk management expenses are recorded as part of operating activities. Insurance claims, if any, are handled through the applicable carriers and their designated agents or adjusters.

As of September 30, 2023, there were no known or pending legal proceedings involving material claims against AAIHB.

NOTE 15—Subsequent Events

The AAIHB has evaluated subsequent events through January 22, 2026, the date the financial statements were available to be issued.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Funding Source/Grant Name	AL #	Award Number #	Expenditures to Subrecipients	Expenditures
U.S. Department of Health & Human Services				
<u>Indian Health Service (IHS)</u>				
Receipts From Grants				
Indian Self-Determination Program	93.441	* HHSI 242-2018-10008C	\$ -	\$ 7,783
Indian Self-Determination Program	93.441	* HHSI 242-2021-10008C	-	926,505
Indian Self-Determination Program	93.441	* HHSI XXX-XXXX-XXXXXX	-	522,254
Epidemiology Program – AI/AN Tribes & Urban Communities	93.231	U1B1IHS0013-17-00	135,155	2,363,220
Injury Prevention and Control for AI/AN Communities	93.284	D261IHS0195-03-00	-	140,296
Demonstration Projects for Indian Health (AAIHB Opioid Pilot)	93.933	H1H5IHS0024-02-00	-	510,354
Demonstration Projects for Indian Health (AAIHB HIV/HCV Epidemic)	93.933	H1H9IHS0004-01-00	-	147,749
Passed through the Great Lakes Inter-Tribal Council, Inc.				
Epidemiology Program – AI/AN Tribes & Urban Communities	93.231	U1B1IHS0001-23-05	-	41,093
<u>Centers for Disease Control and Prevention (CDC)</u>				
Direct				
Good Health and Wellness in Indian Country	93.479	5 NU58DP006727-03-00	622,438	1,234,254
Covid-19 Community Health Workers Response & Resilient	93.495	* 1 NU58DP007022-02-00	812,465	993,150
Good Health & Wellness in Indian Country – PPHF	93.762	* 5 NU58DP006380-05-00	20,500	383,462
Good Health & Wellness in Indian Country – PPHF	93.762	* 1 NU58DP007228-01-00	38,000	417,221
Tribal Public Health Capacity & Quality Improvement	93.772	5 NU38OT000268-05-00	-	444,963
Tribal Public Health Capacity & Quality Improvement	93.772	5 NU38OT000268-05-00	-	33,788
Tribal Public Health Capacity & Quality Improvement	93.772	1 NU38TO000002-01-00	-	1,853
Covid-19 Response Supplement – Tribal PH Capacity & QI	93.772	6 NU38OT000268-02-03	-	717
Covid 19 Strengthening Public Health Systems via Nat'l Partnerships	93.772	6 NU38OT000268-03-03	109,626	204,782
Passed through the Northwest Portland Area Indian Health Board				
Immunization Research, Education & Clinical Skills Training	93.185	C22-40	-	3,125
<u>Substance Abuse and Mental Health Services Administration</u>				
Intergenerational Intertribal (I2) Positive Directions for Native Health	93.243	* 1H79SM084145-02	-	90,389
AAIHB STD/HIV Prevention – Capacity Building Initiative	93.243	* 5H79SP021809-05	-	216,939
Community Wellness – Positive Directions for Native Health	93.243	* 5H79SP081003-05	77,327	448,098
Substance Abuse and Mental Health Services Projects	93.243	* 1H79SM087597-01	52,367	295,356
Opioid STR	93.788	1H79TI085703-01	53,179	224,296
<u>National Institutes of Health</u>				
Pass Through The University of Loyola:				
Drug Abuse and Addiction Research Programs	93.279	LU215189-AAIHB	-	4,365
<u>Research and Development Cluster</u>				
Direct				
Minority Health and Health Disparities Research	93.307	5R21MD014662-02	-	111,289
Biomedical Research and Research Training	93.859	5S06GM127936-04	-	113,513
Pass Through The University of New Mexico Health Sciences Center:				
Cancer Control	93.399	3RAS2	-	212,586
21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	3RLK6	171,590	459,474
Total Research and Development Cluster			171,590	896,862
U.S. Department of Transportation				
<u>National Highway Traffic Safety Administration</u>				
Pass Through DOI Bureau of Indian Affairs, Indian Highway Safety Program				
State and Community Highway Safety	20.600	OP-23-02	-	25,710
Total U.S. Department of Health & Human Services			2,092,647	10,552,874
Total Expenditures of Federal Awards			\$ 2,092,647	\$ 10,578,584

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Reconciliation of Schedule of Expenditures of Federal Awards to the Financial Statements	
Federal grant award income	\$ 9,943,044
Federal sub award income	803,068
Less: Federal subcontract income excluded from SEFA	(167,528)
Total	10,578,584
Federal expenditures reported above	10,578,584
	\$ -

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the SEFA) presents the federal award activity of the Albuquerque Area Indian Health Board, Inc. (the AAIHB) for the year ended September 30, 2023. The information in this SEFA 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). The SEFA is a supplementary schedule and does not present the financial position, changes in net position, or cash flows of the AAIHB.

Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Federal awards are expended in accordance with 2 CFR §200.502 (including recognition of amounts provided to subrecipients when disbursed). 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. Negative amounts (if any) represent adjustments or credits to amounts reported as expenditures in prior years.

Indirect Cost Rate

The AAIHB has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Noncash Assistance

The AAIHB did not expend federal awards in the form of noncash assistance during the year ended September 30, 2023.

Major federal programs, as determined in accordance with the Uniform Guidance, are denoted with an asterisk (*) on the SEFA.



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

Board of Directors
Albuquerque Area Indian Health Board, Inc.
Albuquerque, NM

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 (GAGAS), the financial statements of the business-type activities of the Albuquerque Area Indian Health Board, Inc. (the AAIHB) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the AAIHB’s basic financial statements, and have issued our report thereon dated January 22, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the AAIHB’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the AAIHB’s internal control. Accordingly, we do not express an opinion on the effectiveness of the AAIHB’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.

January 22, 2026

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Hinkle + Landers, P.C.

Hinkle + Landers, PC

Albuquerque, NM

January 22, 2026



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

Board of Directors
Albuquerque Area Indian Health Board, Inc.
Albuquerque, New Mexico

Opinion on Each Major Federal Program

We have audited the AAIHB’s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the AAIHB’s major federal programs for the year ended September 30, 2023. The AAIHB’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the AAIHB 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, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance, and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001, 2023-002 and 2023-003. Our opinion on each major federal program is not modified with respect to these matters.

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the AAIHB's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the AAIHB's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to

test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the AAIHB's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

January 22, 2026

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hinkle + Landers, P.C.

Hinkle + Landers, PC

Albuquerque, NM

January 22, 2026

**ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

SECTION I—SUMMARY OF AUDITOR’S RESULTS

Financial Statements

1. Type of auditor’s report issued **Unmodified**
2. Internal control over financial reporting:
- a. Material weakness(es) identified? Yes No
- b. Significant deficiency(ies) identified that are not considered to be a material weakness(es)? Yes No
- c. Noncompliance material to the financial statements noted? Yes No

Federal Awards

1. Internal control over major federal programs:
- a. Material weakness(es) identified? Yes No
- b. Significant deficiency(ies) identified that is/are not considered to be a material weakness(es)? Yes No
2. Type of auditor’s report issued on compliance for major federal programs **Unmodified**
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a) Yes No
4. Identification of major federal programs:

<u>AL Number</u>	<u>Name of Federal Programs or Cluster</u>	<u>Funding Source</u>
93.441	Indian Self-Determination Program	U.S. Dept. of HHS
93.495	COVID-19: Community Health Workers for Public Health Response and Resilience	U.S. Dept. of HHS
93.762	A Comprehensive approach to Good Health and Wellness in Indian Country financed solely by Prevention and Public Health	U.S. Dept. of HHS
93.243	Intergenerational Intertribal (I2) Positive Directions for Native Health	U.S. Dept. of HHS

Dollar threshold used to distinguish between type A and type B programs: **\$750,000**

Auditee qualified as low-risk auditee? Yes No

**ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

SECTION II—SUMMARY OF FINANCIAL STATEMENT AND FEDERAL AWARD FINDINGS

<u>Reference #</u>	<u>Description</u>	<u>Status of Finding</u>	<u>Type of Finding</u>
2023-001 [2021-001]	Late Submittal of the Data Collection Form	Repeated	F
2023-002 [2022-002]	Unallowable Gift Card Disbursements Charged to Federal Program	Repeated	F
2023-003	Late Reporting	New	F
2022-003	Excess Drawdown of Federal Fund	Resolved	F

*** 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. Material Weakness in Internal Control Over Compliance of Federal Awards
- E. Significant Deficiency in Internal Control Over Compliance of Federal Awards
- F. Instance of Noncompliance Related to Federal Awards

2023-001 [2021—001]—Late Submittal of the Data Collection Form

Type of Finding: (F) Instance of Noncompliance Related to Federal Awards

Funding Agency: All agencies

AL #: All awards

Award #: All awards

Award Period: All periods

Estimated Questioned Costs: N/A

Compliance Requirement: Reporting

Statement of Condition

The AAHIB did not submit its Data Collection Form by the required due date.

Criteria

Uniform Guidance requires that the audit be completed and the data collection form and reporting package be submitted by the earlier date of either 30 days after the receipt of the auditor's report(s), or nine months after the end of the fiscal year end date, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

**ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
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FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Effect

The AAIHB is not in compliance with Federal award requirements and could jeopardize future federal funding.

Cause

The AAIHB was unable to complete the final trial balance and SEFA due to several factors, including late invoice submissions from subawardees, delays in completing bank reconciliations, and missing documentation for direct debit entries. In addition, accounts receivable were not recorded timely because certain programs did not provide copies of billing invoices for contractual services rendered. The situation was further affected by staff turnover in a key finance position and the ongoing operational challenges resulting from the COVID-19 pandemic.

Recommendation

We recommend that the AAIHB implement procedures to ensure the completion of the data collection form in a timely manner.

View of Responsible Officials and Corrective Action Plan

The AAIHB has missed the filing deadline for the FY 2023 Data Collection Form. The AAIHB will file the FY 2023 Data Collection Form within 30 days. The AAIHB will review and revise its internal review processes to ensure future Data Collection Forms are completed and filed in a timely manner.

Corrective Action Plan Timeline

Corrective action plan timeline is to submit FY 2023 audit and data collection forms within 30 days.

Designation of Employee Position Responsible for Meeting Deadline

Executive Director and Finance Officer

2023 – 002 [2022–002] —Unallowable Gift Card Disbursements Charged to Federal Program

Type of Finding: (F) Instance of Noncompliance Related to Federal Awards

Funding Agency: U.S. Department of Health and Human Services

AL #: 93.231 – COVID-19: Epidemiology and Laboratory Capacity

Award #: Various

Award Period: 09/30/2021 – 09/29/2026

Estimated Questioned Costs: \$4,125

Compliance Requirement: Allowable Costs/Cost Principles

**ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Statement of Condition

AAIHB distributed gift cards to independent contractors as a gesture of appreciation for working extended hours related to COVID-19 contact tracing efforts. The total value of the gift cards was approximately \$4,125 and was charged to the COVID-19: Epidemiology and Laboratory Capacity grant (AL #93.231). These gift cards were provided in addition to their regular compensation. The gift card disbursements were not processed through payroll nor formalized in contract terms, and there is no documentation indicating the entity obtained approval from the awarding agency.

Criteria

In accordance with 2 CFR § 200.403, costs charged to federal awards must be necessary, reasonable, allocable, and conform to limitations set forth in federal regulations. Per 2 CFR § 200.421(e)(3), the cost of gifts—including cash or cash equivalents such as gift cards—is generally unallowable. Contractor payments must align with procurement standards in 2 CFR § 200.318–200.324 and be governed by written contracts.

Effect

The use of federal funds to provide gift cards constitutes an unallowable cost under Uniform Guidance. The questioned amount may be subject to repayment to the awarding agency or passthrough entity.

Cause

The auditee sought to recognize the extraordinary efforts of independent contractors during the COVID-19 public health response. However, they were unaware that the use of gift cards for this purpose was inconsistent with Uniform Guidance and lacked prior approval or supporting policy.

Recommendation

We recommend the auditee discontinue the use of federal funds for gift card distributions. Payments to contractors should be governed by written contracts and comply with applicable procurement standards. If the auditee believes these costs are justifiable, they should consult the awarding agency for a determination and, if necessary, reimburse the federal award.

View of Responsible Officials and Corrective Action Plan

We acknowledge that the purchase of gift cards was not an allowable expense under federal grant guidelines. During the COVID-19 pandemic, our contractors were tasked with responding to urgent and overwhelming public health demands, particularly as the New Mexico Department of Health

**ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

became overextended. To recognize contractors who went above and beyond to ensure timely case reporting and investigations for tribal communities, gift cards were used as a form of appreciation.

Corrective Action Plan

Moving forward, we will ensure full compliance with federal grant requirements. Specifically:

1. We will adhere strictly to the cost principles and allowability guidance outlined in federal regulations and the terms of each Notice of Award.
2. In instances where the allowability of an expense is unclear, we will proactively seek guidance and written approval from our Federal Grant Management Officer before incurring the cost.
3. We will provide refresher training to program and fiscal staff on allowable costs under federal awards to prevent recurrence of similar findings.

These corrective actions will ensure future expenditures are fully compliant with federal guidelines.

Corrective Action Plan Timeline

- Immediate (Already in Effect): Ceased use of gift cards and other unallowable incentives.
- Within 30 Days: Finance and program leadership will review current grant guidance and distribute a written summary of allowable/unallowable costs to all program managers.
- Within 60 Days: Refresher training on federal cost principles (2 CFR 200) and Notice of Award guidance will be provided to all program and fiscal staff.
- Ongoing: When ambiguity exists regarding allowable costs, staff will consult with the Federal Grant Management Officer prior to obligating or expending funds.

Designation of Employee Position Responsible for Meeting Deadline

Program Managers/Directors, Finance Officer, and Accounting Manager.

2023-003—Late Reporting

Type of Finding: (F) Instance of Noncompliance Related to Federal Awards

Funding Agency: U.S. Department of Health & Human Services, passed through Indian Health Services and Substance Abuse and Mental Health Services Administration

AL #: 93.441, 93.243

Award #: HHSI 242-2021-1008C, 5H79SM084145-02, 5H79SP021809-05, 5H79SP081003-05

Award Period: Various

Estimated Questioned Costs: N/A

Compliance Requirement: Reporting

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Statement of Condition

The AAIHB did not submit its Federal Financial Reports (FFRs) by the required due dates.

Criteria

Uniform Guidance requires that AAIHB complete the Federal Financial Reports quarterly to report cumulative expenses incurred under each grant number. These reports must be submitted no later than 30 calendar days after the reporting period.

Effect

The AAIHB is not in compliance with federal award requirements and could jeopardize future federal funding.

Cause

The AAIHB acknowledges the audit finding related to the late submission of the FFRs. The delays were primarily due to a combination of staffing transitions and changes in system access to federal grant management platforms. Specifically, turnover and reassignment of finance personnel resulted in delays in updating authorized users within federal systems, which temporarily limited the AAIHB's ability to submit reports in a timely manner. Additional contributing factors included completing compliance priorities during the audit period and the time required for new or reassigned staff to obtain system credentials and become familiar with reporting requirements across multiple federal platforms.

Recommendation

We recommend that the AAIHB implement procedures to ensure the completion of all Federal Financial Reports in a timely manner.

View of Responsible Officials and Corrective Action Plan

The AAIHB missed the filing deadline for the FY 2023 Federal Financial Reports for seven different reports due during the 2023 FY. The AAIHB has filed the FY 2023 Federal Financial Reports as of the date this report is dated. The AAIHB will review and revise its internal review processes to ensure future Federal Financial Reports are completed and filed in a timely manner.

Corrective Action Plan Timeline

Corrective action plan timeline is to submit FY 2024 and FY 2025 Federal Financial Reports within the required timeline.

ALBUQUERQUE AREA INDIAN HEALTH BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Designation of Employee Position Responsible for Meeting Deadline

Accounting Manager and Contracts and Grants Specialist



Board Represented Tribes

Jicarilla Apache Nation
Mescalero Apache Tribe
Ramah Band of Navajo

Southern Ute Indian Tribe
To'Hajiilee Band of Navajo
Ute Mountain Ute Tribe

January 22, 2026

RE: Corrective Action Plan

Hinkle + Landers, PC
2500 9th St NW
Albuquerque, NM 87102

2023-001 [2021–001]—Late Submittal of the Data Collection Form

Response:

The Albuquerque Area Indian Health Board (the AAIHB) acknowledges the finding and agrees that improvements to the timely submission of the Data Collection Form are necessary. The AAIHB recognizes the importance of timely reporting to the Federal Clearinghouse and is committed to strengthening internal controls to prevent similar issues in the future.

Corrective Action Plan:

To address the identified deficiency, the AAIHB will develop processes to aid in the implementation of the following corrective actions:

- Submit the FY 2023 audit and data collection forms within 30 days.
- Review and revise its internal review processes to ensure future Data Collection Forms are completed and filed in a timely manner.

Designation of Employee Position Responsible for Meeting Deadline:

Executive Director and Finance Officer

2023 - 002 [2022–002] —Unallowable Gift Card Disbursements Charged to Federal Program

Response:

The AAIHB acknowledges that the purchase of gift cards was not an allowable expense under federal grant guidelines. During the COVID-19 pandemic, our contractors were tasked with responding to urgent and overwhelming public health demands, particularly as the New Mexico Department of Health

became overextended. To recognize contractors who went above and beyond to ensure timely case reporting and investigations for tribal communities, gift cards were used as a form of appreciation.

Corrective Action Plan:

Moving forward, we will ensure full compliance with federal grant requirements. Specifically:

1. We will adhere strictly to the cost principles and allowability guidance outlined in federal regulations and the terms of each Notice of Award.
2. In instances where the allowability of an expense is unclear, we will proactively seek guidance and written approval from our Federal Grant Management Officer before incurring the cost.
3. We will provide refresher training to program and fiscal staff on allowable costs under federal awards to prevent recurrence of similar findings.

These corrective actions will ensure future expenditures are fully compliant with federal guidelines.

Corrective Action Plan Timeline:

- Immediate (Already in Effect): Ceased use of gift cards and other unallowable incentives.
- Within 30 Days: Finance and program leadership will review current grant guidance and distribute a written summary of allowable/unallowable costs to all program managers.
- Within 60 Days: Refresher training on federal cost principles (2 CFR 200) and Notice of Award guidance will be provided to all program and fiscal staff.
- Ongoing: When ambiguity exists regarding allowable costs, staff will consult with the Federal Grant Management Officer prior to obligating or expending funds.

Designation of Employee Position Responsible for Meeting Deadline

Program Managers/Directors, Finance Officer, and Accounting Manager.

2023-003—Late Reporting

Response:

The AAIHB acknowledges the finding and agrees that improvements to reporting process are necessary. The AAIHB recognizes the importance of timely reporting and is committed to strengthening internal controls to prevent similar issues in the future. The AAIHB has filed the FY 2023 Federal Financial Reports as of the date this report is dated.

Corrective Action Plan:

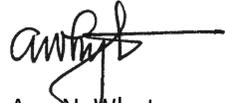
- To submit FY 2024 and FY 2025 Federal Financial Reports within the required timeline.
- Review and revise its internal review processes to ensure future Federal Financial Reports are completed and filed in a timely manner.

Designation of Employee Position Responsible for Meeting Deadline:

Accounting Manager and Contracts and Grants Specialist

Please reach out if you have any questions.

Respectfully,

A handwritten signature in black ink, appearing to read 'Ayn N. Whyte', with a horizontal line extending to the right from the end of the signature.

Ayn N. Whyte
Executive Director
awhyte@aaihb.org
505.764.0036