



**WOMEN'S ECONOMIC  
SELF-SUFFICIENCY TEAM, CORP**

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

**For the Year Ended December 31, 2024,  
With Comparative Totals for 2023**

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**WOMEN’S ECONOMIC SELF-SUFFICIENCY TEAM, CORP  
 INDEPENDENT AUDITOR’S REPORT AND FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023  
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**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**OFFICIAL ROSTER**  
**AS OF DECEMBER 31, 2024**

Board of Directors

Name	Title
Cheryl Hardt	Chair
Mariam Bruce	Vice Chair
Mike Lowrimore	Treasurer
Jacob Sena	Secretary
Cara Gordon Potter	Immediate Past Chair
Emily Allen	Member
Taylor Allen	Member
Angela Baca	Member
Emily Rembe Benak	Member
Frank Fine	Member
Aimée González	Member
Nicole Johnny	Member
Monica Jojola	Member
Suzanne Mirabal	Member
Bayard Roberts IV	Member
Tana Traylor	Member
Omini Warner	Member

Principal Administration

Name	Title
Lindsey Kay	President
Cheri Lopez	Vice President of Finance



**INDEPENDENT AUDITOR’S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Board of Directors and Management of  
Women’s Economic Self-Sufficiency Team, Corp  
Albuquerque, NM

**Opinion**

We have audited the accompanying financial statements of the Women’s Economic Self-Sufficiency Team, Corp (“WESST”), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 WESST as of December 31, 2024, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 WESST 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 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 WESST's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**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 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 and *Government 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 WESST'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 WESST'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.

#### **Report on Summarized Comparative Information**

We have previously audited WESST's December 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 9, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2025, on our consideration of WESST'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

March 7, 2025

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

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results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WESST's internal control over financial reporting and compliance.

*Hinkle & Landers, P.C.*

Hinkle + Landers, P.C.

Albuquerque, NM

March 7, 2025

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

	Notes	2024	2023
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and cash equivalents	2	\$ 1,929,802	954,420
Grants and contracts receivable		739,080	678,772
Contributions receivable - current	4	217,550	139,765
Loans receivable - current	3	391,815	331,422
Accounts receivable, net		13,052	44,881
Prepaid expenses		54,610	18,630
Total current assets		3,345,909	2,167,890
Restricted cash for programs	2	1,965,641	1,819,897
Contributions receivable - noncurrent, net	4	47,548	59,066
Loans receivable - noncurrent, net	3	447,028	702,893
Property and equipment, net	6	6,037,763	6,248,477
Right of use assets, net	8	29,929	59,737
Beneficial interest in assets held by others	5	20,010	18,855
Deposits		4,224	3,549
Total assets		\$ 11,898,052	11,080,364
<b>LIABILITIES AND NET ASSETS</b>			
<i>Current Liabilities</i>			
Accounts payable		\$ 187,590	23,743
Payroll related liabilities and compensated absences	9	80,476	60,606
Deferred revenues	10	490,005	335,911
Lease liability - current	8	17,949	29,657
Programmatic notes payable - current	11	172,284	199,832
Total current liabilities		948,304	649,749
<i>Noncurrent Liabilities</i>			
Deposits		23,457	20,689
Programmatic secured debt	12	138,679	108,818
Line of credit	13	100,000	50,000
Lease liability - noncurrent	8	12,791	30,740
Programmatic notes payable - noncurrent	11	546,002	718,259
Total noncurrent liabilities		820,929	928,506
Total liabilities		1,769,233	1,578,255
<i>Net Assets</i>			
Without donor restrictions		6,554,026	6,591,720
With donor restrictions	15	3,574,793	2,910,389
Total net assets		10,128,819	9,502,109
Total liabilities and net assets		\$ 11,898,052	11,080,364

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



**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>SUPPORT AND REVENUE</b>				
Contract revenue - ECECD	\$ 4,429,139	-	4,429,139	-
Federal grants	1,906,553	-	1,906,553	1,328,187
State and other grants	1,308,006	-	1,308,006	12,500
Contributions	174,803	657,580	832,383	397,872
WEC membership and charges for services	332,872	-	332,872	262,112
Special events	-	200,428	200,428	175,367
Less: direct expenses	-	(32,797)	(32,797)	(35,127)
Net revenue from special events	-	167,631	167,631	140,240
In-kind contributions	152,173	-	152,173	201,135
Consulting, training and other	81,434	-	81,434	193,103
Loan interest and fees	52,678	-	52,678	37,251
Interest income	9,786	-	9,786	-
Investment return, net	-	1,155	1,155	1,192
Total support and revenue	8,447,444	826,366	9,273,810	2,573,592
Net assets released from restrictions	161,962	(161,962)	-	-
<b>EXPENSES</b>				
Program services				
Business consulting and training	8,130,003	-	8,130,003	2,649,502
Financial assistance	187,008	-	187,008	189,690
Total program services	8,317,011	-	8,317,011	2,839,192
Supporting services				
Management and general	121,108	-	121,108	273,236
Fundraising	208,981	-	208,981	176,282
Total supporting services	330,089	-	330,089	449,518
Total expenses	8,647,100	-	8,647,100	3,288,710
Change in net assets	(37,694)	664,404	626,710	(715,118)
Net assets, beginning of year	6,591,720	2,910,389	9,502,109	10,217,227
Net assets, end of year	\$ 6,554,026	3,574,793	10,128,819	9,502,109

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

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

	Program Services			Supporting Services		2024 Total	2023 Total
	Business Consulting & Training	Financial Assistance	Total Program	Mgt & General	Fund- Raising		
Salaries and wages	\$ 2,090,408	92,970	2,183,378	38,181	158,202	2,379,761	1,851,133
Payroll taxes	152,170	6,376	158,546	4,176	11,759	174,481	139,148
Employee benefits	144,249	14,334	158,583	6,288	11,379	176,250	192,788
Total personnel expense	<u>2,386,827</u>	<u>113,680</u>	<u>2,500,507</u>	<u>48,645</u>	<u>181,340</u>	<u>2,730,492</u>	<u>2,183,069</u>
ECECD contract expense	4,429,139	-	4,429,139	-	-	4,429,139	-
Professional services	492,008	6,691	498,699	1,768	41,271	541,738	377,588
Depreciation and amortization	208,001	32,520	240,521	-	-	240,521	238,989
Repairs and maintenance	138,361	2,223	140,584	-	-	140,584	76,972
Occupancy	127,957	7,312	135,269	-	700	135,969	129,791
Travel	89,654	1,370	91,024	896	371	92,291	45,546
Training	20,530	-	20,530	65,665	430	86,625	39,695
Dues, subscriptions, and fees	77,785	4,263	82,048	307	3,464	85,819	51,559
Supplies	58,378	373	58,751	1,245	11,858	71,854	53,997
Insurance	40,471	1,773	42,244	-	-	42,244	33,909
Telecommunications/internet	37,719	-	37,719	-	-	37,719	31,813
Accounting and legal	26,600	-	26,600	1,275	-	27,875	27,712
Interest	-	15,869	15,869	1,170	2,295	19,334	3,761
Printing and postage	15,367	934	16,301	-	49	16,350	14,226
Advertising	3,350	-	3,350	137	-	3,487	2,807
Miscellaneous	1,000	-	1,000	-	-	1,000	-
Credit loss expense	(23,144)	-	(23,144)	-	-	(23,144)	12,403
Total expense	<u>8,130,003</u>	<u>187,008</u>	<u>8,317,011</u>	<u>121,108</u>	<u>241,778</u>	<u>8,679,897</u>	<u>3,323,837</u>
Less expenses included on Statement of Activities:							
Direct expenses of special events	-	-	-	-	(32,797)	(32,797)	(35,127)
Grand total	<u>\$ 8,130,003</u>	<u>187,008</u>	<u>8,317,011</u>	<u>121,108</u>	<u>208,981</u>	<u>8,647,100</u>	<u>3,288,710</u>

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

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

	2024	2023
<u>Cash Flows From Operating Activities</u>		
Cash receipts from grants and contracts	\$ 7,737,484	1,840,261
Cash receipts from contributions	766,116	483,588
Cash receipts from WEC memberships and services	364,701	217,231
Cash receipts from special events	200,428	175,367
Cash receipts from training, consulting, and other	81,434	193,103
Interest, loan interest, and loan fees received	62,464	37,251
Interest paid	(3,487)	(3,761)
Cash paid to employees and suppliers	(8,332,430)	(3,083,465)
Cash provided by (used for) operating activities	876,710	(140,425)
<u>Cash Flows From Investing Activities</u>		
Cash paid for purchase of equipment and construction	-	(49,626)
Loan repayments	570,820	358,109
Loans issued	(352,204)	(572,711)
Cash provided by (used for) investing activities	218,616	(264,228)
<u>Cash Flows From Financing Activities</u>		
Proceeds from line of credit	50,000	50,000
Proceeds from secured borrowings	44,361	23,340
Principal payments on secured borrowings	(14,500)	(37,574)
Proceeds from notes payable	-	500,000
Principal payments on notes payable	(199,805)	(152,129)
Cash provided by (used for) financing activities	(119,944)	383,637
Net increase (decrease)	975,382	(21,016)
Beginning cash and cash equivalents	954,420	975,436
Ending cash and cash equivalents	\$ 1,929,802	954,420

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

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**STATEMENT OF CASH FLOWS, continued**  
**FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

RECONCILIATION OF CHANGE IN NET ASSETS TO  
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

	2024	2023
Change in net assets	\$ 626,710	(715,118)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	210,714	214,581
Amortization	29,808	24,407
Non-cash adjustments to secured debt	-	17,880
Provision for loan losses	(23,144)	12,403
<i>(Increases) decreases in operating assets:</i>		
(Increase) decrease in contribution receivables	(66,267)	67,836
(Increase) decrease in grants and contracts receivable	(60,308)	163,663
(Increase) decrease in accounts receivable	31,829	(44,881)
(Increase) decrease in ROU - operating lease	-	(28,129)
(Increase) decrease in prepaid expense	(35,980)	24,153
(Increase) decrease in restricted cash	(145,744)	(238,000)
(Increase) decrease in beneficial interest in assets held by others	(1,155)	(1,193)
(Increase) decrease in security deposits	(675)	-
<i>Increase (decrease) in operating liabilities:</i>		
Increase (decrease) in accounts payable	163,847	1,814
Increase (decrease) in payroll related liabilities	19,870	(6,522)
Increase (decrease) in lease liability - operating lease	(29,657)	4,113
Increase (decrease) in deferred revenue	154,094	335,911
Increase (decrease) in funds held for others	-	22,610
Increase (decrease) in deposits	2,768	4,047
Cash provided by (used for) operating activities	\$ 876,710	(140,425)
<u>Significant Non-Cash Transactions</u>		
In-kind supplies	\$ 37,213	35,574
In-kind services	73,270	126,067
In-kind donated space	41,690	39,494
	\$ 152,173	201,135

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

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

**Note 1. Summary of Significant Accounting Policies**

**A. Nature of Activities**

The Women's Economic Self-Sufficiency Team, Corp ("WESST") is a nonprofit organization dedicated to helping individuals start and grow businesses throughout New Mexico.

WESST Real Estate Holdings, LLC (the "LLC") was established in 2009 under the New Mexico Limited Liability Company Act to manage real estate investments. The LLC holds the land detailed in Note 6. The Boards of Directors for WESST and the LLC are identical, with WESST serving as the sole member of the LLC. The LLC operates in a manner that preserves WESST's tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

WESST accomplishes its mission through the following programs:

*Business Consulting and Training* – Clients receive personalized coaching in areas such as sales and marketing, production, management, and finance. Additionally, group workshops are offered on a variety of basic and advanced business topics.

*Financial Assistance* – WESST provides a revolving loan fund for small businesses that are unable to secure financing from traditional lenders. Support is also offered to help clients access other financial resources.

To enhance its program delivery, WESST utilizes the WESST Enterprise Center (WEC), a 37,000-square-foot mixed-use business incubation facility that accommodates up to twenty light manufacturing, service, professional, and technology businesses.

WESST's primary sources of revenue include grants, contracts, contributions, and earned income.

**B. Basis of Accounting**

The accompanying financial statements have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Under the accrual method of accounting, revenues are recognized when earned rather than when received and

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

expenses are recognized when the related liability is incurred rather than when paid.

**C. Financial Statement Presentation**

WESST prepares financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 and subsections *Financial Statements of Not-for-Profit Organizations*. Under 958-205, WESST is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions—Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of WESST. WESST's Board of Directors may designate assets without restrictions for specific operational purposes from time to time.

Net Assets With Donor Restrictions-Time/Purpose—Net assets with temporary donor restrictions are the result of contributions and other inflows of assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions can be fulfilled and removed by actions of the organization pursuant to those stipulations or by the passage of time. Other donor restrictions are perpetual in nature. See Net Assets with Donor Restrictions Note 15.

Net Assets With Donor Restrictions-Perpetual in Nature—Net assets with perpetual donor restrictions resulting from contributions and other inflows of assets, the use of which is limited by donor-imposed stipulations that cannot be removed by actions of the Organization. See Beneficial Interest in Asset Held by Third Party Note 5.

**D. Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposits at banks and savings accounts at financial institutions. For the Statement of Cash Flows, WESST classifies all unrestricted, highly liquid investments with original maturities of three months or less as cash equivalents, excluding restricted cash.

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

**E. Restricted Cash**

Restricted cash consists of funds received from the Small Business Investment Corporation (SBIC) and various federal agencies, which are required to be held for the loan program and related loan loss reserve accounts.

**F. Concentration of Custodial Credit Risk-Uninsured Cash Balances**

Custodial credit risk is the risk that WESST's deposits may not be returned in the event of a bank failure. WESST does not have a custodial credit risk policy that requires collateral for deposits exceeding Federal Deposit Insurance Corporation (FDIC) limits. FDIC insurance covers deposits up to \$250,000 per depositor, per institution, for both interest-bearing and noninterest-bearing accounts. WESST holds its cash in financial institutions located in Albuquerque, NM.

As of December 31, 2024, WESST's cash balances exceeded the FDIC coverage limit by \$2,385,934. Despite this, WESST has not incurred any losses in these accounts and believes that it is not exposed to significant credit risk related to the uninsured cash balances.

**G. Receivables and Credit Policies**

Grants and contracts receivable primarily consist of amounts due from cost-reimbursement governmental grants, while contributions receivable are amounts expected from foundations and similar organizations. WESST estimates the allowance for uncollectible accounts based on current and historical experience, an evaluation of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. No allowance was considered necessary for these receivables as of December 31, 2024 and 2023.

Receivables from contracts with customers are presented as accounts receivable, net of any allowance for uncollectible accounts, in the accompanying statement of financial position.

**H. Loans Receivable and Credit Loss Allowance**

Loans receivable are carried at face value and adjusted for an allowance for credit losses. Loans with maturities of one year or less are classified as current assets. Interest income on loans receivable is recognized monthly. Closing-related loan fees are minimal and are recorded as income when the loan is disbursed. Loans are secured by a combination of collateral, which may include deposit accounts, real

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

estate, inventory, accounts receivable, furniture, equipment, vehicles, and assignments of contracts and life insurance policies. WESST's ability to access collateral is subject to legal collection proceedings.

Loans are recorded when funds are disbursed. The collectability of loans receivable is assessed at least annually, and the loan loss reserve is adjusted accordingly based on historical loss rates, specific risk factors, and qualitative considerations. Management maintains an allowance for loan losses at 8% of the loan receivable portfolio balance, a percentage reviewed and reaffirmed annually by the Finance Committee. If actual loan losses exceed 5% to 8% of the portfolio, the Finance Committee convenes a special review to determine if adjustments to the allowance methodology are necessary.

Loans are classified as delinquent when required payments are 30 days past due, and those 90 days past due are individually evaluated for impairment. Interest accrual is suspended on loans considered potentially uncollectible and is resumed when the certainty of repayment is established. Loans are written off only after collateral is exhausted and all legal recovery actions have been pursued.

This policy aligns with FASB ASC 310-10-35, which requires loans to be evaluated for impairment when it is probable that not all amounts due will be collected.

**I. Property, Equipment, Depreciation, and Amortization**

Property and equipment are recorded at cost or at estimated fair value if donated. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the respective assets, as outlined in the table below. Routine repairs and maintenance costs are expensed as incurred, while major improvements and replacements are capitalized. WESST's policy is to capitalize acquisitions that cost more than \$5,000 and have an estimated useful life of greater than one year.



**WOMEN’S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

Estimated useful lives are as follows:

Classification	Estimated Useful Life
WEC capital lease	40 years
Building	40 years
Land improvements	10 years
Furnishing, fixtures, and equipment	3-7 years
Leasehold improvements	7-20 years

**J. Revenue Recognition**

i. Conditional Contributions

WESST receives governmental grants that require the organization to incur specific qualifying expenses in compliance with the grantor’s rules and regulations. These grants are primarily funded on a cost-reimbursement basis, although some grants provide advance payments at the beginning of the grant cycle. Advance payments are recorded as unearned revenue until the related services are provided. For administrative efficiency, these amounts are initially recognized as revenue with adjustments made at year-end, if necessary. Any unused advance payments must be returned, and any unallowed costs drawn down by WESST are required to be refunded.

These grants are considered conditional as they are contingent upon incurring qualifying expenses. Revenue is recognized when WESST meets the conditions by incurring the related expenses. As such, these grants are recorded as contributions without donor restrictions. Grant funds are used to support financial assistance and business consulting and training programs.

ii. Contract Revenue

WESST provides working space to tenants through its incubator, generating revenue recognized as WESST Enterprise Center membership services revenue. Payments for these contracts may be received either before or after the services are delivered. Payments received in advance are recorded as deferred revenue, while payments received after services are recorded as receivables.

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Revenue is recognized when the services are provided, and the performance obligation is satisfied. The performance obligation is defined as the delivery of services to the customer. The transaction price is set by WESST and the customer according to the membership service agreements, and no allocation of the transaction price is required. These contracts are used in both of WESST's programs.

Additionally, WESST receives funding from the New Mexico Early Childhood Education and Care Department (NM ECECD) on a pass-through basis. Under these contracts, WESST retains an administrative portion of the funds, while the remaining amounts are distributed to third-party recipients.

Revenue for the administrative portion is recognized when the services are provided and the performance obligation is satisfied. The pass-through portion is recognized as revenue as the contractor expenses are incurred. Payments are received after the funds are distributed and are recorded as receivables.

iii. Contributions and Support

Contributions received are recognized as either support with donor restrictions or support without donor restrictions based on the presence or nature of donor-imposed stipulations. Gifts of cash and other assets are recorded as support with donor restrictions when donors specify limitations on the use of the donated assets.

When donor restrictions are satisfied, the related net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and are reported as net assets released from restrictions in the statement of activities. The statement of activities also details contributions with donor-imposed restrictions and the corresponding release from restrictions as the conditions are met.

iv. Consulting, Training and Other

Revenue from consulting, training, and other sources is recognized over time as the services are provided. Performance obligations are considered satisfied when the services are delivered to the customer.

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v. Donated Services, Materials, and Services

Donations of property, materials, and services are recorded as contributions at their fair value on the date of donation. Donated stocks, bonds, or other securities are recognized at their fair market value on the date of the gift. These donations are reported as increases in net assets without donor restrictions unless the donor specifies a restricted purpose for the donated asset.

Assets donated with explicit restrictions on their use, as well as contributions of cash designated for acquiring property and equipment, are recorded as contributions with donor restrictions.

Donated services are recognized as contributions at their estimated fair value if they:

- Create or enhance nonfinancial assets, or
- Require specialized skills, are provided by individuals possessing those skills, and would otherwise need to be purchased by WESST.

**K. Functional Allocation of Expenses**

The financial statements classify certain expenses that are attributable to one or more of the organization's programs or support services. Expenses and support services that can be directly identified with a specific program are charged to that program based on their natural expenditure classification. Direct costs are allocated to the functional classification that corresponds to the nature of the expense. All other expenses are allocated on a reasonable and consistent basis among the programs and support services.

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These expenses are allocated using the following methods:

<u>Type of Expense</u>
Salaries, wages and related payroll expenses
Professional services, travel, training, dues
Dues, subscriptions, and fees, supplies, advertising
Accounting and legal, interest, printing and postage
<u>Bases of Allocation of Expenses</u>
● Direct to program or supporting services
● Appropriate allocation based on time and effort
● Square footage

The functional expense allocation ratios for the years ended December 31 are as follows:

Expense Allocation	2024	2023
Program	95.8%	86.3%
General and admin.	1.4%	8.3%
Fundraising	2.8%	5.4%
Total	100%	100%

**L. Advertising**

Advertising costs are expensed as incurred or when the initial advertisement is published. WESST does not engage in direct-response advertising, which would require the capitalization and amortization of related expenses.

Advertising expenses were \$3,487 and \$2,807 for the years ending December 31, 2024 and 2023, respectively.

**M. Income Taxes**

WESST is a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and corresponding state law as a charitable organization. Only unrelated business taxable income, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. As WESST currently has no unrelated business income, no provision for income taxes has been recorded.

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Additionally, WESST is classified as an organization other than a private foundation. In accordance with ASC 450, *Accounting for Contingencies*, WESST evaluates uncertain tax positions, recording the effect of uncertainties if the outcome is considered probable and reasonably estimable. Management believes that WESST operates within its tax-exempt purpose.

WESST files its Federal Form 990 tax return with the Internal Revenue Service. The 990 is also filed with the New Mexico Department of Justice's online charitable registration. WESST is not currently under audit nor has the organization been contacted by any of these jurisdictions. Management believes it is operating within their tax-exempt purpose.

WESST Real Estate Holdings, LLC is treated as a disregarded entity for tax filing purposes, and its financial activity is included in WESST's Federal Form 990. The LLC had no taxable unrelated business income for the years ended December 31, 2024 and 2023.

**N. Fair Value of Financial Instruments**

The carrying amounts of cash, restricted cash, and cash equivalents, receivables, payables, accrued expenses and other liabilities approximate fair value due to the short maturity periods of these instruments. WESST measures certain financial assets and liabilities at fair value on a recurring basis, including its derivative liabilities.

WESST's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

**Level 1**

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

**Level 2**

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;

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- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3**

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table sets forth fair value measurements by level, within the fair value hierarchy, WESST’s financial assets measured at fair value as of December 31:

	2024	2023
	Level 2	Level 2
Beneficial interest in asset held by third party	\$ <u>20,010</u>	<u>18,855</u>

The following assumptions were used to estimate the fair value of the assets included in the table above:

- Beneficial interest in asset held by third party—based on inputs derived principally from or corroborated by observable market data by correlation or other means.

**O. Use of Estimates in Preparing Financial Statements**

The preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

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Estimates that are particularly susceptible to significant changes in the near term and could materially impact the financial statements include:

- Allocation of expenses by function to program, management and general and fundraising.
- Depreciation and amortization are based on estimated useful lives of property and equipment, including leased assets.
- Calculation of present value of lease liability and right of use assets.
- Allowance for uncollectible accounts based on current and historical experience of collections.
- In-kind donations are based on fair value techniques selected by management.

**P. Prior Year Comparative Totals**

The financial statements include prior-year summarized comparative information presented in total but not by each net asset class. This summarized information lacks the level of detail required for a full presentation in conformity with U.S. generally accepted accounting principles (GAAP).

Therefore, the summarized comparative information should be read in conjunction with WESST’s financial statements for the year ended December 31, 2023, from which the summarized information was derived.

**Q. Reclassifications**

Certain reclassifications may have been made to the 2023 summarized financial statement information to conform to the current year presentation.

**Note 2. Cash, Restricted Cash, and Cash Equivalents**

As of December 31, cash, restricted cash, and cash equivalents were as follows:

	2024	2023
Cash and cash equivalents	\$ 1,929,802	954,420
Restricted cash	1,965,641	1,819,897
Total cash, restricted cash, and cash equivalents	\$ 3,895,443	2,774,317

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**Note 3. Loans Receivable**

Loans receivable consist of collateralized business development loans issued to start-up and existing businesses. Loan terms allow for repayment over periods of up to six years, and borrowers may receive loans under multiple loan programs.

As of December 31, loans receivable were as follows:

	<u>2024</u>	<u>2023</u>
CDFI	\$ 78,595	104,667
SBA 9	116,815	271,320
SBA 10	90,783	220,058
NMSBIC	184,864	145,091
POP/HOPE	109,828	31,437
Refugee	11,820	8,308
SBA 11	<u>312,936</u>	<u>343,374</u>
Total loan receivables	905,641	1,124,255
Less: allowance for uncollectible accounts	<u>(66,798)</u>	<u>(89,940)</u>
Loan receivables, net	<u>\$ 838,843</u>	<u>1,034,315</u>

As of December 31, delinquent loans were as follows:

<u>Aging Category</u>	<u>2024</u>	<u>2023</u>
30–59 days past due	\$ 6,394	2,437
60–89 days past due	4,718	1,396
90+ days past due	<u>9,764</u>	<u>941</u>
Total	<u>\$ 20,876</u>	<u>4,774</u>

Changes in the allowance for loan losses were the following for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 89,940	72,358
Impact of adoption of new credit loss standard	-	-
Additions to allowance	-	17,582
Write-off, net of recoveries	<u>(23,142)</u>	<u>-</u>
Balance, end of year	<u>\$ 66,798</u>	<u>89,940</u>

Due to the inherent uncertainties in estimating the allowance for loan losses, it is reasonably possible that the estimates used may change in the near term.



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Additional information on loans receivable as of December 31 is as follows:

	<u>2024</u>	<u>2023</u>
Total number of outstanding loans	122	113
Number of new loans	51	58
Average loan amount	\$ 7,423	14,441
Average interest rate of loans	3.51%	3.12%
Total loans renegotiated	-	2
Principal balance of renegotiated loans at December 31:	\$ -	17,600

**Note 4. Contributions Receivable**

As of December 31, contributions receivable were as follows:

	<u>2024</u>	<u>2023</u>
Visionaries Pledge Campaign	\$ 137,471	75,530
Wells Fargo	100,000	-
United Way	24,998	74,998
NM Bank and Trust	1,500	-
Other	1,129	7,303
Sandia FCU	-	26,000
Presbyterian Healthcare Services	-	15,000
	<u>265,098</u>	<u>198,831</u>
Less: Allowance for uncollectable accounts	-	-
Total	<u>\$ 265,098</u>	<u>198,831</u>

Due to the inherent uncertainties in estimating the allowance for uncollectible accounts, it is reasonably possible that the estimates used will change within the near term.

Amounts are scheduled to be collected as follows:

<u>Amounts due:</u>	
2025	\$ 217,550
2026	22,048
2027	13,250
2028	<u>12,250</u>
Total	<u>\$ 265,098</u>

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**Note 5. Beneficial Interest in Asset Held by Third Party**

The Albuquerque Community Foundation (ACF) holds funds in a perpetually donor restricted endowment for the benefit of WESST. While WESST does not have access to these funds, it is entitled to receive distributions as determined by ACF, based on the fund's income. WESST has granted variance power to ACF, allowing the foundation to modify restrictions on the fund if deemed necessary.

When a nonprofit transfers assets to a community foundation and names itself as the beneficiary, the economic benefit of those assets remains with the nonprofit. If the transfer is permanent, the nonprofit records a beneficial interest in assets held by others, measured at the fair value of the contributed assets.

Changes in the value are recognized in the statement of activities for the year ended December 31, 2024 are as follows:

	Donor Restricted in Perpetuity	Total
Beginning balance, 1-1-24	\$ 18,855	18,855
Contributions	-	-
Interest and dividend	346	346
Unrealized gains/(losses)	611	611
Realized gains/(losses)	422	422
Distributions	-	-
Fees and expenses	(224)	(224)
Ending balance, 12-31-24	<u>\$ 20,010</u>	<u>20,010</u>

Changes in the value are recognized in the statement of activities for the year ended December 31, 2023 are as follows:

	Donor Restricted in Perpetuity	Total
Beginning balance, 1-1-23	\$ 17,662	17,662
Contributions	-	-
Interest and dividend	261	261
Unrealized gains/(losses)	1,024	1,024
Realized gains/(losses)	95	95
Distributions	-	-
Fees and expenses	(187)	(187)
Ending balance, 12-31-23	<u>\$ 18,855</u>	<u>18,855</u>

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**Note 6. Property, Equipment, Depreciation, and Amortization**

As of December 31, property and equipment consisted of the following:

	2023	Additions	Deletions	2024
Land	\$ 225,713	-	-	225,713
WEC capital lease	6,174,940	-	-	6,174,940
Building	2,324,162	-	-	2,324,162
Land improvements	88,552	-	-	88,552
Furnishing, fixtures, and equipment	108,070	-	(38,675)	69,395
Leasehold improvements	146,299	-	-	146,299
Total	9,067,736	-	(38,675)	9,029,061
Less: Accumulated depreciation and amortization	(2,819,259)	(210,714)	38,675	(2,991,298)
Total, net	\$ 6,248,477	(210,714)	-	6,037,763

Depreciation and amortization expense were \$210,714 and \$214,581 for the years ended December 31, 2024, and 2023, respectively.

**Note 7. Capital Lease - Building**

In December 2008, construction of the WESST Enterprise Center (WEC) was completed, and WESST took occupancy of the building. The 37,000-square-foot business incubation facility was designed to house and support local start-up businesses. The construction was a collaborative effort between WESST and the City of Albuquerque (the “City”), with funding provided by both public and private sources. All public funds related to construction and equipping the WEC were received, managed, and disbursed by the City. The estimated cost of the building, including land, is approximately \$8,750,000.

**LEDA Agreement and Lease Terms**

In November 2010, WESST and the City entered into a Local Economic Development Act (LEDA) Project Participation Agreement, which superseded two prior agreements (signed in 2004 and 2006). The LEDA Agreement established the ownership and use arrangement for the WEC:

- The City retains ownership of the building and land, except for a portion of the parking lot at 205 Roma, NE, which WESST purchased in 2010.
- The City leases the WEC to WESST primarily in exchange for economic development activities, with a key deliverable of job creation.
- The lease term is 20 years, with an additional 20-year renewal option through December 2048, at a rate of \$1.00 per year (both terms were prepaid in 2009).

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Ownership Option and UDAG Loan Repayment

The LEDA Agreement grants WESST the option to acquire ownership of the WEC at any time during the lease term by utilizing:

- a) WESST's equity interest in the WEC,
- b) The Local Economic Development Act (LEDA) process,
- c) Cash or other financing, or
- d) A combination of the above methods.

WESST's equity interest in the WEC is based on variables outlined in the agreement, including the value of direct jobs created and contributions made by WESST, such as development costs, cash contributions, federal funding, and leasehold improvements.

As of December 31, 2010, WESST had accrued sufficient equity interest to take ownership of the WEC. However, if WESST elects to acquire the property, the LEDA Agreement requires repayment of a \$1,364,000 Urban Development Action Grant (UDAG) loan used to purchase the land for the WEC. The agreement allows WESST to offset part of this repayment with the value of direct new jobs created. At a minimum, WESST must repay \$500,000 in cash, structured as a zero-interest loan, payable in 25 equal annual installments beginning one year after assuming ownership. If WESST does not take ownership, the UDAG loan will not require repayment under LEDA Ordinance F/S-0-04-10.

Lease Classification

Due to the opportunity for WESST to acquire the WEC at a significantly below-market purchase price, management initially classified the lease as a capital lease in accordance with previous accounting guidance.

However, during the year 2023, management determined that WESST is unlikely to take ownership of the WEC, citing the long-term property tax implications as unsustainable. As a result, the capital lease payable and related discount were removed from the financial statements in 2023. As of December 31, 2024, there is no capital lease payable related to the WEC.

Adoption of ASC 842 – Lease Accounting

Under FASB ASC 842, lessees and lessors must recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. This approach includes optional practical expedients, allowing entities to:

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- Maintain existing lease classifications for leases commencing before the effective date,
- Exclude initial direct costs for leases commencing before the effective date, and
- Use hindsight when evaluating options to extend, terminate, or purchase leased assets.

WESST has elected to apply these practical expedients, effectively continuing to account for the lease under prior GAAP, unless a modification occurs.

**Note 8. Leases**

WESST has operating and financing leases for office space and certain equipment, with remaining lease terms ranging from 0 to 3 years. WESST has elected to use the risk-free rate as the discount rate for its entire lease portfolio, based on U.S. government treasury bill rates for terms comparable to the lease duration. Lease interest rates for previously held leases were 3.25% and 4.33%.

Right-of-Use Leased Assets and Amortization

The major classes of right-of-use assets and accumulated amortization related to operating and financing leases as of December 31 are as follows:

	<u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>2024</u>
Right-of-use assets				
Office space - operating	\$ 84,440	-	-	84,440
Equipment - finance	13,375	-	-	13,375
Total right-of-use assets	97,815	-	-	97,815
Less accumulated amortization for:				
Office space - operating	(29,401)	(25,350)	-	(54,751)
Equipment - finance	(8,677)	(4,458)	-	(13,135)
Total accumulated amortization	(38,078)	(29,808)	-	(67,886)
Right-of-use assets, net	\$ <u>59,737</u>	<u>(29,808)</u>	<u>-</u>	<u>29,929</u>

Amortization expense was \$29,808 and \$24,407 for 2024 and 2023, respectively.

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Lease Liabilities

As of December 31, WESST was a lessee under the following leases:

	<u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>2024</u>
Lease liabilities				
Office space - operating	\$ 55,553	-	(25,193)	30,360
Equipment - finance	4,844	-	(4,464)	380
Total	<u>60,397</u>	<u>-</u>	<u>(29,657)</u>	<u>30,740</u>

During the year, WESST did not recognize any variable lease payments.

Key information related to the measurement of WESST's lease obligations is as follows:

<u>Lease cost</u>	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 26,661	20,553
Financing lease costs:		
Amortization of lease assets	4,338	4,338
Interest on lease liabilities	80	222
Total lease costs	<u>\$ 31,079</u>	<u>25,113</u>
<u>Cash flow items</u>		
Cash paid for amounts included in the measurement of lease liabilities		
Operating Leases - Operating Cash Flows	\$ 26,698	20,426
Finance Lease - Operating Cash Flows	\$ 80	222
Finance Lease - Financing Cash Flows	\$ 4,472	4,330
Right-of-use assets obtained in exchange for new lease liabilities		
Operating leases	\$ -	28,130
Finance lease	\$ -	-
Weighted-average remaining lease term		
Operating leases	1.74 yrs	2.48 yrs
Finance lease	0.08 yrs	1.09 yrs
Weighted-average discount rate		
Operating leases	3.46%	3.64%
Finance lease	3.25%	3.25%

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The future minimum lease payments as of December 31 are as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2025	\$ 17,949	631	18,580
2026	11,791	209	12,000
2027	1,000	-	1,000
2028	-	-	-
2029	-	-	-
	<u>\$ 30,740</u>	<u>840</u>	<u>31,580</u>

**Note 9. Payroll Related Liabilities and Compensated Absences**

Payroll related liabilities and compensated absences as of December 31 were as follows:

	<u>2024</u>	<u>2023</u>
Compensated absences	\$ 78,658	60,606
Accrued payroll taxes	1,818	-
Total	<u>\$ 80,476</u>	<u>60,606</u>

**Note 10. Deferred Revenues**

Deferred revenues as of December 31 consisted of the following:

	<u>2024</u>	<u>2023</u>
Grants and contract funds received in advance	\$ 490,005	310,911
Special event funds received in advance	-	25,000
Total	<u>\$ 490,005</u>	<u>335,911</u>

**Note 11. Programmatic Notes Payable**

The following is a summary of notes payable outstanding related to loan programs as of December 31:

	<u>2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>2024</u>	<u>Current</u>
SBA 9 - Loan #5008	\$ 148,110	-	(88,787)	59,323	59,323
SBA 10 - Loan #7004	274,785	-	(59,512)	215,273	60,217
SBA 11 - Loan #9107	495,196	-	(51,506)	443,690	52,744
	<u>\$ 918,091</u>	<u>-</u>	<u>(199,805)</u>	<u>718,286</u>	<u>172,284</u>

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SBA 9 – Loan #5008

Note payable to the U.S. Small Business Administration (SBA), requiring monthly installments of \$7,421, including interest ranging from 0.25% to 1.5%, with final payment due in August 2025. The note is secured by loans receivable and loss reserve funds.

SBA 10 – Loan #7004

Note payable to the U.S. Small Business Administration, due in monthly installments of \$5,245, including interest ranging from 0.625% to 2.625%, with final payment due in July 2028. The note is secured by loans receivable and loss reserve funds.

SBA 11 – Loan #9107

Note payable to the U.S. Small Business Administration, due in monthly installments of \$5,079, including interest ranging from 1.13% to 3.125%, with final payment due in November 2032. The note is secured by loans receivable and loss reserve funds.

Future principal and interest payments on the notes payable are as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 172,284	10,991	183,275
2026	114,882	9,014	123,896
2027	116,837	7,062	123,899
2028	87,898	5,161	93,059
2029	57,034	3,918	60,952
Thereafter	<u>169,351</u>	<u>4,915</u>	<u>174,266</u>
	<u>\$ 718,286</u>	<u>41,061</u>	<u>759,347</u>

**Note 12. Programmatic Secured Debt**

WESST has a memorandum of agreement with the New Mexico Small Business Investment Corporation (NMSBIC) to cooperatively fund business loans for New Mexico's artisan community. Under this agreement, WESST has full discretion over the loan portfolio and is responsible for administering the program.

The NMSBIC agrees to purchase up to 75% of the loan principal disbursed by WESST, with a maximum commitment of \$375,000. WESST pays interest to the NMSBIC at an annual rate of 3% on the outstanding principal balance of funds provided. Loan losses within the portfolio are shared, with 75% covered by the NMSBIC and 25% by WESST. As WESST collects loan payments, 75% of the principal is repaid to the NMSBIC.



**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

The following is a summary of funds provided by the NMSBIC to this program as of December 31:

	2023	Additions	Retirements	Adjustments	2024
NMSBIC	\$ 108,818	44,361	(14,500)	-	138,679

**Note 13. Line of Credit**

WESST entered into a \$100,000 revolving line of credit agreement with Southwest Capital Bank in December 2023. The line carries a 5% interest rate and matures on July 1, 2025. Principal and interest are due at maturity; however, funding for interest expense and any principal reduction will ultimately be covered through a donation from the bank.

The proceeds from this line of credit are restricted for use in WESST loan programs. As of December 31, 2024, the outstanding balance on this agreement was \$100,000. As of December 31, 2023, the outstanding balance on this agreement was \$50,000.

**Note 14. Economic Dependency**

WESST derives a significant portion of its revenue from grants, contracts, and awards provided by governmental entities, private foundations, and other contributions. These funding sources are expected to continue in the foreseeable future. However, if a substantial portion of these funds were to be discontinued, WESST's ability to sustain all programs would be impacted.

The following is a summary of concentrations from contributions and grants as of December 31:

Significant Concentrations	2024	2023
Grants and contracts	\$ 7,643,698	1,340,687
Contributions	832,383	397,872
Total	8,476,081	1,738,559
Total revenue	\$ 9,273,810	2,573,592
Concentration percentage	91%	68%

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

**Note 15. Net Assets With Donor Restrictions**

WESST's donor restricted net assets as of December 31 were as follows:

<u>Temporary in Nature</u>	<u>2023</u>	<u>Additions</u>	<u>Released</u>	<u>2024</u>
Restricted cash for programs	\$ 898,084	4,176,964	(3,109,407)	1,965,641
Loan receivables	1,124,255	352,204	(570,818)	905,641
HOPE Fund	470,336	-	(183,598)	286,738
Visionary pledges	75,531	157,500	(95,560)	137,471
Next Generation	150,837	-	(16,304)	134,533
FHL Bank of Dallas	-	52,580	-	52,580
NM EDD Incubator	-	200,000	(150,000)	50,000
Hubbard Broadcasting Foundation	-	12,500	-	12,500
Money Learning Lab	122,491	10,000	(126,658)	5,833
United Way	-	10,000	(6,154)	3,846
WESST Capacity Building Video Series	50,000	-	(50,000)	-
Silver Soiree 2024	-	200,428	(200,428)	-
Bank of America Charitable Foundation	-	35,000	(35,000)	-
Tepper bequest	-	100,000	(100,000)	-
Comcast Foundation	-	30,000	(30,000)	-
GoDaddy.com LLC	-	35,000	(35,000)	-
BMO Bank	-	15,000	(15,000)	-
Total temporary in nature	<u>2,891,534</u>	<u>5,387,176</u>	<u>(4,723,927)</u>	<u>3,554,783</u>
 <u>Perpetual in Nature</u>				
Endowment Funds	<u>18,855</u>	<u>1,155</u>	<u>-</u>	<u>20,010</u>
Total net assets with donor restrictions	<u>\$ 2,910,389</u>	<u>5,388,331</u>	<u>(4,723,927)</u>	<u>3,574,793</u>
 <u>Reconciliation to Statement of Activities</u>				
Additions - with donor restrictions	\$ 5,388,331			
Less: balance sheet items	4,529,168			
Less: special event direct expenses	<u>32,797</u>			
Support and revenue w/ donor restrictions	<u>826,366</u>			
 Deletions - with donor restrictions	 (4,723,927)			
Add: balance sheet items/adjustments	3,680,225			
Add: special event direct expenses	<u>32,797</u>			
Net assets released from restrictions	<u>\$ (161,962)</u>			

**Note 16. Related Parties**

Four members of WESST's Board of Directors are employed by local banking institutions where WESST maintains accounts.

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

**Note 17. Retirement Plan**

WESST offers a retirement savings plan for its employees, allowing participants to make contributions through salary reduction under Section 408(a) SIMPLE-IRA of the Internal Revenue Code. Under the plan, WESST matches employee contributions up to 3% of compensation. Employee deferrals are subject to IRS-imposed contribution limits. All employer contributions vest immediately. WESST's matching contributions for 2024 and 2023 were \$42,128 and \$31,894, respectively.

**Note 18. Compensated Absences**

Employees may accrue vacation based on their length of service. The maximum allowable accrual is determined as follows:

- o Less than 5 years of service—84 hours x 1.5 (126 hours)
- o 5 to 10 years of service—120 hours x 1.5 (180 hours)
- o More than 10 years of service—160 x 1.5 (240 hours)

Unused sick leave is not paid upon termination of employment and is not accrued. As of December 31, 2024 and 2023, employees accrued vacation totaled \$78,658 and \$60,606, respectively.

**Note 19. In-Kind Contributions**

WESST recorded the following in-kind contributions for the years ended December 31:

Nonfinancial Asset	2024	2023	Usage Area/Restrictions	Fair Value Techniques
Professional and consulting services	\$ 73,270	126,067	All programs/none	1
Facilities	41,690	39,494	Financial assistance/none	1
Equipment, supplies, and materials	37,213	35,574	All programs/none	1
Total	<u>\$ 152,173</u>	<u>201,135</u>		

\* Legend for Fair Value Techniques

1.- Estimated wholesale prices of identical or similar products/services if purchased in the region

There were no donor-imposed restrictions on in-kind contributions in 2024 and 2023.

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

**Note 20. Liquidity and Availability of Financial Resources**

WESST regularly monitors liquidity to ensure it can meet cash flow requirements and operating needs. The availability of financial assets is influenced by management designations, the nature of the assets, and external limitations imposed by donors or contractual agreements. While WESST is not primarily funded by restricted grants, donor-imposed restrictions may require resources to be used for specific purposes or in future periods. As a result, WESST must maintain sufficient resources to fulfill these obligations, which may limit the availability of certain financial assets for general expenditures within one year.

As part of its liquidity management, WESST follows an informal policy to structure its financial assets so they are available as general expenditures, liabilities, and other obligations become due.

Additionally, WESST has the ability to invest excess cash in short-term investments. Donor-restricted funds become available for expenditure once their restrictions are met, though the timing of such availability is generally not determinable in advance.

Liquidity is as follows:

Financial assets at year end	2024	2023
Cash and cash equivalents	\$ 1,929,802	954,420
Receivables - current, net	1,348,445	1,149,959
Line of credit	100,000	50,000
	3,278,247	2,104,379
Less amounts not available to be used within a year:		
Net assets with donor restrictions	3,574,793	2,910,389
Less net assets with purpose/time restrictions to be met in less than a year	(3,574,793)	(2,910,389)
Current assets available to meet cash needs for general expenditures within one year	\$ 3,278,247	2,104,379

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024, WITH COMPARATIVE TOTALS FOR 2023**

**Note 21. Special Events**

WESST hosts an annual fundraising event, the Silver Soiree, to support its entrepreneurial programs and initiatives.

The financial results of the Silver Soiree for the years ended December 31, 2024, are as follows:

	Soiree 2024	Soiree 2023
Gross income	\$ 200,428	175,367
Less: direct expense	<u>(32,797)</u>	<u>(35,127)</u>
Net income from special events	167,631	140,240
Less: charitable contributions	-	-
Net income after charitable contributions	<u>\$ 167,631</u>	<u>140,240</u>

Direct expenses associated with the event have been netted against special event revenue in the Statement of Activities.

**Note 22. Evaluation of Subsequent Events**

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. WESST recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. WESST's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements are available to be issued. WESST has evaluated subsequent events through March 7, 2025, which is the date the financial statements were available to be issued.

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>AL Number</u>	<u>Contract/Grant Project/ State Number</u>	<u>Amount Expended</u>
<u>Small Business Administration</u>			
<i>Direct Program</i>			
Microloan Program - Intermediary Lender (Loan Capital)	* 59.046		\$ 918,091
Microloan Program	* 59.046		123,052
Women's Business Ownership Assistance	59.043		864,896
Congressional Earmarks Initiative	59.059		336,164
Prime Technical Assistance	59.050		226,228
Total Small Business Administration			<u>2,468,431</u>
<u>Minority Business Development Agency</u>			
<i>Direct Program</i>			
MBDA's Capital Readiness Program	11.034		315,713
Pass through the City of Albuquerque			
MBDA - Business Center	11.805		40,500
Total Minority Business Development Agency			<u>356,213</u>
Total Expenditures of Federal Awards			<u>\$ 2,824,644</u>
<u>Reconciliation to Financial Statements</u>			
Federal award expenditures reported on the SEFA			\$ 2,824,644
Less: Loan Capital balance			(918,091)
Federal revenues per the Statement of Activities			1,906,553
Difference			<u>\$ -</u>

\* Denotes major federal program

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

1. The accompanying Schedule of Expenditures of Federal (SEFA) awards presents the activity of all federal programs of WESST reporting entity as described in Note 1 to the financial statements. All federal awards received from federal agencies are included on the schedule.
2. The SEFA is presented using the accrual basis of accounting, which is described in Note 1 to WESST's financial statements.
3. WESST has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance. WESST's administrative costs are included in the applicable grants budget.
4. The federal loan programs listed below are administered directly by WESST and balances and transactions relating to these programs are included in WESST's financial statements. In accordance with the Uniform Guidance, §200.502 *Basis for determining Federal awards expended*, since the federal government is at risk for loans and loan guarantees awarded until the debt is repaid, the amount to be presented as expenditures of federal awards for loans and loan guarantees awarded, including those awarded and expended in prior years that have continuing compliance requirements, is:
  - 1) Value of new loans or loan guarantees made or received during the audit period; plus
  - 2) Beginning of the audit period balance of loans and loan guarantees from previous years for which the federal government imposes continuing compliance requirements; plus
  - 3) Any interest subsidy, cash, or administrative cost allowance received.

Accordingly, WESST has reported loans and loan guarantees awarded in accordance with the aforementioned criteria. Amounts presented as expenditures of federal awards for loan and loan guarantee programs by federal Assistance Listing Number (AL#) are as follows:

AL #	<u>59,046</u>	
Value of new loans made	\$ -	
Loan balance, beginning of the year	<u>918,091</u>	
Total Expenditures of federal awards presented for loan and loan guarantees programs	<u>\$ 918,091</u>	
Balance of loans and loan guarantees at December 31, 2024	<u>\$ 718,286</u>	



**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 and Management of  
Women’s Economic Self-Sufficiency Team, Corp  
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 , the financial statements of the Women’s Economic Self-Sufficiency Team, Corp (“WESST”) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 7, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered WESST’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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of WESST’s internal control. Accordingly, we do not express an opinion on the effectiveness of WESST’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.



March 7, 2025

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

*Hinkle & Landers, P.C.*

Hinkle + Landers, P.C.

Albuquerque, NM

March 7, 2025



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

Board of Directors and Management of  
Women's Economic Self-Sufficiency Team, Corp  
Albuquerque, NM

**Opinion on Each Major Federal Program**

We have audited WESST'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 WESST's major federal programs for the year ended December 31, 2024. WESST'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, WESST 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 December 31, 2024.

**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; 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 WESST 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 WESST'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 WESST's federal programs.

**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 WESST'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 one 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 WESST'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 WESST'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 WESST'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 WESST'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.

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.

March 7, 2025

Independent Auditor's Report on Compliance for Each Major Federal Program and  
on Internal Control Over Compliance Required by The Uniform Guidance,  
continued

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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, P.C.

Albuquerque, NM

March 7, 2025

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**SECTION I-SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

1. Type of auditor's report issued Unmodified

Internal Control over Financial Reporting:

- 1. Material weakness(es) identified None Noted
- 2. Significant deficiency(ies) identified None Noted
- 3. Noncompliance material to financial statements noted None Noted

Federal Awards

Internal Control over Major Federal Programs:

- 1. Material weakness(es) identified None Noted
- 2. Significant deficiencies(s) identified None Noted

Type of auditor's report issued on compliance for major federal programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section § 200.516(a)?

No

Identification of major federal programs:

AL Number	Name of Federal Program or Cluster	Funding Source
59.046	Microloan Program	Small Business Administration

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk Auditee? Yes

**WOMEN'S ECONOMIC SELF-SUFFICIENCY TEAM, CORP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**SECTION II and III-SUMMARY OF FINANCIAL STATEMENT & FEDERAL AWARDS FINDINGS**

<u>PRIOR YEAR</u>	Findings		
	Current or Prior Year Finding	Status of Findings	Type of Finding *
None	N/A	N/A	N/A
<u>CURRENT YEAR</u>			
None	N/A	N/A	N/A

\* Legend for Type of Findings

**Section II - Financial Statement Findings**

- A. Material Weakness in Internal Control Over Financial Reporting
- B. Significant Deficiency in Internal Control Over Financial Reporting
- C. Finding that Does Not Rise to the Level of a Significant Deficiency  
(Other Matters) Involving Internal Control Over Financial Reporting
- D. Instance of Non-compliance Material to the Financial Statements

**Section III - Major Federal Programs**

- E. Material Weakness in Internal Control Over Compliance of Federal Awards
- F. Significant Deficiency in Internal Control Over Compliance of Federal Awards
- G. Instance of Noncompliance related to Federal Awards
- H. Instance of Material Non-compliance