



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

**NEW MEXICO COALITION
TO END HOMELESSNESS
INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS**

For the Year Ended September 30, 2021

With Comparative Totals for 2020

NEW MEXICO COALITION TO END HOMELESSNESS
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NEW MEXICO COALITION TO END HOMELESSNESS
OFFICIAL ROSTER
As of September 30, 2021

BOARD OF DIRECTORS

Meryl Lieberman	Co-Chair
Henry Brutus	Co-Chair
Edward Archuleta	Secretary
George Francis Lyon	Treasurer
Ann Shaw	Member
Bobby Ehrig	Member
Henrietta Correa	Member
Jonna Sharpe	Member
Lacy Yoxall	Member
Linda Simon	Member
Mary Ann Chavez Lopez	Member
Nick Mullins	Member
Nicole Martinez	Member
Rachel Sierra	Member
Riley Masse	Member
Shelly Felt	Member
Trina Lopez	Member

ADMINISTRATIVE PERSONNEL

Hank Hughes	Executive Director
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INDEPENDENT AUDITOR’S REPORT

The Board of Directors
New Mexico Coalition to End Homelessness
Santa Fe, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of New Mexico Coalition to End Homelessness (NMCEH) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity’s internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NMCEH as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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

Report on Summarized Comparative Information

We have previously audited the New Mexico Coalition to End Homelessness's 2020 financial statements, and our report dated June 15, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2022 on our consideration of New Mexico Coalition to End Homelessness's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering New Mexico Coalition to End Homelessness's internal control over financial reporting and compliance.



Hinkle + Landers, P.C.

Albuquerque, NM

June 10, 2022

NEW MEXICO COALITION TO END HOMELESSNESS
STATEMENT OF FINANCIAL POSITION
For The Year Ended September 30, 2021, With Comparative Totals For 2020

	Notes	2021	2020
ASSETS			
Current Assets			
Cash, restricted cash and cash equivalents	B	\$ 77,570	41,218
Grants and contracts receivables	G	484,173	238,393
Prepaid expenses		10,726	8,516
Investments, at fair value	C	92,507	213,797
Total Current Assets		664,976	501,924
Long - Term Assets			
Property and Equipment - Espanola Pathways Shelter, net	I	399,537	-
Other Assets			
Endowment fund	H	19,804	17,582
Total Other Assets		19,804	17,582
Total Assets		\$ 1,084,317	519,506
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable		\$ 16,311	44,655
Payroll tax liability		31,531	9,981
Compensated absences payable	J	44,391	37,317
Benefits payable		5,679	3,318
Total Current Liabilities		97,912	95,271
Total Liabilities		97,912	95,271
Net Assets			
Undesignated		24,688	360,183
Board designated		25,257	14,225
With donor restrictions - Espanola Pathways Shelter property	M	399,537	-
With donor restrictions in purpose/time	M	517,119	32,281
With donor restrictions perpetual in nature	H	19,804	17,546
Total Net Assets		986,405	424,235
Total Liabilities and Net Assets		\$ 1,084,317	519,506

NEW MEXICO COALITION TO END HOMELESSNESS
STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2021, With Comparative Totals For 2020

	2021				2020
	Without	With	Perpetual	Total	Total
	Donor Restrictions	Donor Restrictions	Restrictions		
Revenue and support					
Federal grants	\$ 1,713,889	12,425	-	1,726,314	984,731
Federal grants - non-cash	-	389,158	-	389,158	-
Other grants	148,633	286,115	-	434,748	853,926
Contracts and reciprocal grants	1,749,807	-	-	1,749,807	-
Program service fees	116,642	-	-	116,642	67,142
Dues and membership	26,450	-	-	26,450	28,579
Contributions	122,191	60,920	-	183,111	234,202
Change in value of agency endowment fund	714	-	2,222	2,936	36
Use of facilities in exchange for services	615,600	-	-	615,600	-
In-kind stock	8,318	-	-	8,318	-
Interest income	31	-	-	31	27
Investment income (net)	12,710	-	-	12,710	9,018
Net assets released from restriction	342,707	(342,707)	-	-	-
Total revenue and support	4,857,692	405,911	2,222	5,265,825	2,177,661
Expenses					
Program services	4,444,421	-	-	4,444,421	1,861,017
General and administrative	249,461	-	-	249,461	161,708
Fundraising expenses	9,773	-	-	9,773	9,514
Total expenses	4,703,655	-	-	4,703,655	2,032,239
Change in net assets	154,037	405,911	2,222	562,170	145,422
Net assets, beginning of year	295,445	111,208	17,582	424,235	278,813
Net assets, end of year	\$ 449,482	517,119	19,804	986,405	424,235

NEW MEXICO COALITION TO END HOMELESSNESS
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended September 30, 2021, With Comparative Totals For 2020

	2021						2020			
	Program Services						General & Administrative	Fundraising	Total	Total
	Coalition	Fiscal Sponsor			Total Fiscal Sponsor	Total Program				
Espanola Pathways Shelter		Interfaith Worker Justice	Consuelo's Place							
Salaries and wages	\$ 1,001,566	82,827	-	374,717	457,544	1,459,110	141,611	4,668	1,605,389	921,515
Employee benefits	115,084	1,038	-	23,286	24,324	139,408	16,172	208	155,788	121,505
Payroll taxes	68,488	7,048	-	36,482	43,530	112,018	15,925	329	128,272	70,425
Total salaries and related expenses	1,185,138	90,913	-	434,485	525,398	1,710,536	173,708	5,205	1,889,449	1,113,445
Program expenses	666,025	167,935	9,047	9,476	186,458	852,483	609	590	853,682	219,978
Professional fees	264,863	224,715	3,000	150,841	378,556	643,419	32,116	1,424	676,959	389,401
Rent in-kind (in exchange for services)	-	-	-	615,600	615,600	615,600	-	-	615,600	-
Repairs and maintenance	-	88,715	-	189,860	278,575	278,575	675	-	279,250	70,834
Occupancy	40,019	72,580	-	-	72,580	112,599	-	-	112,599	89,088
Fiscal agent fee	-	13,640	1,088	73,621	88,349	88,349	-	-	88,349	6,596
Insurance	-	20,284	-	39,170	59,454	59,454	6,499	-	65,953	41,406
Office	1,803	8,831	-	2,912	11,743	13,546	17,882	-	31,428	16,632
Food and kitchen	-	13,001	9,998	764	23,763	23,763	-	-	23,763	17,442
Utilities	92	21,253	-	-	21,253	21,345	-	-	21,345	2,733
Telephone	138	1,313	-	997	2,310	2,448	13,408	-	15,856	15,175
Other expenses	1,993	3,497	-	5,487	8,984	10,977	1,826	620	13,423	7,923
Specific assistance to agencies	4,100	200	-	-	200	4,300	-	-	4,300	15,000
Conferences, meetings and staff development	335	1,789	-	-	1,789	2,124	1,587	-	3,711	2,251
Postage	-	203	-	-	203	203	1,062	406	1,671	1,243
Copying and printing	25	-	-	-	-	25	-	1,528	1,553	2,312
Travel	129	-	-	-	-	129	89	-	218	19,723
Furniture	-	-	-	-	-	-	-	-	-	1,057
Total expenses before depreciation	2,164,660	728,869	23,133	1,523,213	2,275,215	4,439,875	249,461	9,773	4,699,109	2,032,239
Depreciation	-	4,546	-	-	4,546	4,546	-	-	4,546	-
Total expenses	\$ 2,164,660	733,415	23,133	1,527,759	2,279,761	4,444,421	249,461	9,773	4,703,655	2,032,239

NEW MEXICO COALITION TO END HOMELESSNESS
STATEMENT OF CASH FLOWS
For The Year Ended September 30, 2021, With Comparative Totals For 2020

	2021	2020
Cash Flows From Operating Activities		
Cash from grants and contracts	\$ 3,665,089	1,744,825
Cash from program income	116,642	71,642
Cash received from membership dues	26,450	28,579
Cash received from contributions	183,111	234,202
Interest income	31	27
Cash paid to employees	(2,384,298)	(1,105,495)
Cash paid to suppliers	(1,692,684)	(908,723)
Cash provided by (used for) operating activities	(85,659)	65,057
Cash Flows From Investing Activities		
Purchases of property & equipment	(14,925)	-
Purchases of investments	(200,000)	(100,000)
Proceeds from investments	338,928	2,873
Reinvested interest	(1,492)	(1,616)
Expenses paid from endowment	(500)	(500)
Cash provided by (used for) investing activities	122,011	(99,243)
Cash Flows From Financing Activities		
Proceeds from long-term debt	-	-
Payments on long-term debt	-	-
Cash provided by (used for) financing activities	-	-
 Net Change in Cash, Restricted Cash and Cash Equivalents	 36,352	 (34,186)
 Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	 41,218	 75,404
Cash, Restricted Cash, and Cash Equivalents, End of Year	\$ 77,570	41,218
 Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities		
Change in Net Assets	\$ 562,170	145,422
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,546	-
Change in value of agency endowment fund	(2,222)	(36)
Unrealized (gain)/loss on investments	(12,710)	(7,403)
Non-cash purchase of Espanola Pathways Shelter	(391,658)	-
(Increases) decreases in operating assets:		
(Increase) decrease in receivables	(245,780)	(93,832)
(Increase) decrease in program receivables	-	4,500
(Increase) decrease in prepaid expense	(2,210)	(3,441)
Increase (decrease) in operating liabilities:		
Increase (decrease) in accounts payable	(28,344)	26,587
Increase (decrease) accrued expenses	23,911	1,646
Increase (decrease) accrued compensated absences	6,638	7,950
Increase (decrease) in fiscal sponsor payable	-	(16,336)
Cash provided by (used for) operating activities	\$ (85,659)	65,057

See Independent Auditor's Report

The accompanying notes are an integral part of the financial statements

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021, With Comparative Totals For 2020

A. NATURE OF ACTIVITIES

The New Mexico Coalition to End Homelessness (NMCEH), a nonprofit organization, was incorporated under laws of the State of New Mexico on July 27th, 2001. The mission of NMCEH is to engage in activities targeted to abolishing homelessness in New Mexico. NMCEH engages in advocacy activities and provides technical support services to other non-profit agencies and communities that are seeking to create solutions to homelessness. NMCEH coordinates the federal homeless assistance grant writing process referred to as the Continuum of Care for the two Continuum of Care regions, which are the City of Albuquerque and the rest of the state (referred to as the “Balance of State”) as well as management and coordination of the Homeless Management Information System. NMCEH also operates a coordinated entry system for New Mexico that matches people experiencing homelessness with appropriate housing programs. The New Mexico Coalition to End Homelessness is funded by the City of Santa Fe, City of Albuquerque, the NM Mortgage Finance Authority, the U.S. Department of Housing and Urban Development, the McCune Foundation, and donations from various charitable foundations, churches, businesses and private individuals. NMCEH is governed by a Board of Directors, which has the responsibility for determining policy and for the execution and evaluation of programs and activities conducted by the Organization.

The board is limited to a minimum of ten members and a maximum of twenty members. The term served by a board member is two years.

Fiscal Sponsorship for Espanola Pathways Shelter, Interfaith Work Justice and Consuelo’s Place

A “Fiscal Sponsorship” describes an arrangement between a non-profit organization (New Mexico Coalition to End Homelessness) with 501(c)(3) tax-exempt status and a project, often a new charitable effort, conducted by an organization, group, or an individual that does not have 501(c)(3) status. Fiscal sponsorship permits the exempt sponsor to accept funds restricted for the sponsored project on the project’s behalf. The sponsor, in turn, accepts the responsibility to ensure the funds are properly spent to achieve the project’s goals. Normally, the project will be short-term, or the sponsored group is seeking tax-exempt status.

Grants/donations are given to NMCEH (the sponsor) who acts as a custodian of the funds for an organization that does not have its 501(c)(3) status yet. The sponsor must use funds received for the specific charitable projects of the sponsored organization. Typically, the spending of the funds also furthers the sponsor’s own tax-exempt purpose. The sponsor must retain discretion and control as to the use of the funds and must maintain records that substantiate the use of funds for appropriate 501(c)(3) purposes. NMCEH follows a controlled process to take on fiscal sponsors.

NEW MEXICO COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021, With Comparative Totals For 2020

Beginning in the year ended September 30 2020, NMCEH became the fiscal sponsor for the Espanola Pathways Shelter, Interfaith Worker Justice, and Consuelo's Place.

The missions of these organizations are as follows:

1. Espanola Pathways Shelter

To prevent homelessness and to provide our homeless community with access to viable pathways, shelter, and essential services towards meeting their personal goals.

2. Interfaith Worker Justice

Interfaith Worker Justice is a national network that builds collective power by advancing the rights of workers through unions, worker centers, and other expressions of the labor movement and by engaging diverse faith communities and allies in joint action, from grassroots organizing to shaping policy at the local, state and national levels.

3. Consuelo's Place

Consuelo's Place's focus is to provide emergency services and to help its clients secure more permanent housing.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting. Under the accrual method of accounting, revenues are recognized when earned rather than when received and expenses are recognized when the related liability is incurred rather than when paid.

2. Financial Statement Presentation

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

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021, With Comparative Totals For 2020

3. Net Assets

Under FASB ASC 958, NMCEH is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Those two classes are defined as follows:

Net Assets With Donor Restrictions—Temporary in Nature—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 M.

Net Assets With Donor Restrictions—Perpetual in Nature—Net assets with perpetual donor restrictions result 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 Note H for detail for these net assets.

Contributions received are recorded as increases in net assets without donor restrictions, with donor restrictions in purpose/time, or with donor restrictions perpetual in nature, depending on the existence and/or nature of any donor restrictions.

4. Cash, Restricted Cash and Cash Equivalents

NMCEH considers all highly liquid financial instruments with an original maturity date of three months or less when purchased to be cash equivalents. Cash, restricted cash and cash equivalents includes interest-bearing instruments with maturities at the date of purchase of three months or less. NMCEH maintains its cash accounts at various local financial institutions; these accounts may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). Management believes that there is not a significant risk with respect to these deposits.

5. Investments

Investments are carried at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized gains and losses are recorded using a specific identification method upon the sale of investment assets. Realized and unrealized gains and losses, as well as investment expenses are reflected within the investment return, net, in the statement of activities. Investment

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021, With Comparative Totals For 2020

income and gains (losses) restricted by donors are reported as increases (decreases) in net assets with donor restrictions until donor-imposed restrictions have been met. Investments which are intended for long-term purposes but are available for current use are classified as current assets. These investments can be accessed within 12 months and there are no lock up provisions or external restrictions or pledges against these investments.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

6. Fair Value Measurements

FASB ASC 820-10 and subsections establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). (The inputs and methodology used for valuing NMCEH's financial assets and liabilities are not indicators of the risks associated with those instruments.) The three levels of the fair value hierarchy under FASB ASC 820-10 are as follows:

Level 1

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

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021, With Comparative Totals For 2020

Level 2

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

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;
- Inputs other than quoted prices that are observable for the asset or liability; and
- 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

Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities. NMCEH has no level 3 type assets.

The fair value of investments securities is the market value based on the quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs to the limited market activity of the instrument. NMCEH’s significant financial instruments are cash and investments. For these financial instruments, carrying values approximate fair value.

The following table summarizes the valuation of the NMCEH’s financial instruments by the above FASB ASC 820-10 categories as of September 30:

<u>Description</u>	<u>2021</u>		<u>2020</u>	
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 1</u>	<u>Level 2</u>
Endowment	\$ -	19,804	-	17,582
Mutual funds	91,696	-	78,997	-
Total	\$ 91,696	19,804	78,997	17,582

- Mutual funds—based on the net asset value (NAV) of the shares held by NMCEH at the

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021, With Comparative Totals For 2020

end of the year.

- Endowment—based on inputs derived principally from or corroborated by observable market data by correlation or other means.

7. Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, receivables, payables, accrued expenses and other liabilities approximate fair value due to the short maturity periods of these instruments. The fair value of long-term debt, if applicable, is the carrying value due to the adjustable market rate of interest.

8. Grant Receivables

Grant receivables represent the amount expended during the grant period but reimbursed by the grantor after year-end. When revenues are received in the next year, the receivable will then be reduced.

9. Prepaid Expenses

Prepaid expenses primarily represent insurance premiums paid during the year for coverage which extends through part of the following year.

10. Property, Equipment, and Depreciation

Property and equipment are stated at cost if purchased, and at fair value at the date of contribution for donated assets. NMCEH capitalizes all computer equipment additions and additions of property and equipment in excess of \$1,000 cost or fair value and having a useful life in excess of one year.

11. Impairment of Long-lived Assets

NMCEH accounts for long-lived assets in accordance with the provisions of FASB ASC 360-10 and subsections, *Accounting for the Impairment of Long-Lived Assets*. ASC 360-10 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell. Management does not believe impairment indicators are present as of the years ended September 30, 2021 and 2020.

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021, With Comparative Totals For 2020

12. Functional Expense Allocation

The costs of providing the various programs and other activities of NMCEH have been summarized on a functional basis in the statements of functional expenses. Salary and other personnel costs that are not directly coded to a programmatic activity are allocated based on time certifications and the best estimate of employees. Building maintenance and occupancy are allocated among the programs and supporting services benefited. Other operating costs are allocated using various allocation methodologies including allocations based on personnel or revenue generated.

13. Revenue Recognition

NMCEH has adopted ASC 606 Revenue from Contracts with Customers and ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made in accordance with accounting principles generally accepted in the United States of America.

The following summarizes the revenue recognition policies for major classifications of revenue:

Purchase of Services by Governmental Agencies

There are two types of governmental agreements to provide services, as follows:

- Conditional Contributions NMCEH receives governmental grants to provide services to the public. The terms of these grants specify that NMCEH must incur certain qualifying expenses or costs in compliance with the rules and regulations established by the grantor. These grant funds are paid predominately on a cost-reimbursement basis, but there can be upfront payments received at the beginning of the grant cycle. The advance payments are considered unearned revenue until services are provided. For expedient purposes, these amounts are recorded as revenue as the services will soon be provided and “trued up” at year-end, if necessary. Any advances of upfront payments must be returned, if unused. Any unused assets are forfeited, and any unallowed costs that have been drawn down by NMCEH are required to be refunded. These grants are determined to be conditional as they are required to be spent on qualifying expenses and therefore the revenue is recognized once NMCEH has incurred those qualifying expenses. These grants are recorded without donor restrictions. Federal grants are such agreements.
- Contract Revenue
NMCEH has contracted with several agencies to provide services to the public, which are related to its mission. These contract revenues are recorded at the time the services are provided and the performance obligation is satisfied. The performance obligation is the

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021, With Comparative Totals For 2020

delivery of the services over time provided to the participants in the program. The transaction price is established by NMCEH and the Contractor per the agreement. No allocation of the transaction price of the services is necessary. The recognition method is based on participants served (i.e. the output method), or the recognition method is based on time (i.e. the input method). Specifically, when NMCEH has provided the service in compliance with the general and specific requirements of the contract, both the receivable to the agency and offsetting contract revenue are recorded. Some of the local governments' agreements are such types of agreements.

Contributions—Contributions are reported when an unconditional promise to give or other asset is received (in accordance with ASC 958-605). Gifts of securities are recorded at their fair market value when received. Contributions with donor-imposed restrictions spent in the same year as contributed may be included as revenue without donor restrictions. Contributions received are recorded as increases in net assets without donor restrictions, with donor restrictions in purpose/time, or with donor restrictions perpetual in nature, depending on the existence and/or nature of any donor restrictions. Gifts of cash and other assets are reported as support with donor restrictions if received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donated stocks, bonds or other securities are recorded at the fair market value on the date of the gift. Gifts of long-lived assets are reported as support without donor restrictions unless the donor has restricted the use of the assets for specific purposes. Long-lived assets with explicit restrictions and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. Long-lived assets are recorded at their fair market value on the date of receipt. Donated services are recognized as contributions in accordance with FASB ASC 958-605, Accounting for Contributions Received and Contributions Made, if the services (a) create or enhance non-financial assets, (b) require specialized skills and are performed by people with those skills, and (c) would otherwise be purchased by NMCEH. Donated goods are recorded at the estimated fair market value at the time of donation.

14. Income Taxes

Income taxes are not provided for in the financial statements since NMCEH is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. NMCEH is not classified as a private foundation.

NEW MEXICO COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021, With Comparative Totals For 2020

NMCEH files their Federal Form 990 tax return in the U.S. federal jurisdiction and the online charitable registration in the Office of the Attorney General for the State of New Mexico.

15. Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with US generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

16. Comparative Financial Statements

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with NMCEH’s financial statements for the year ended September 30, 2020, from which the summarized information was derived.

17. Reclassifications

Certain reclassifications may have been made to the 2020 summarized financial statement information to conform to the current year presentation.

B. CASH, RESTRICTED CASH, AND CASH EQUIVALENTS

NMCEH has the following cash, restricted cash and cash equivalents at September 30:

<u>Type</u>	<u>2021</u>	<u>2020</u>
Checking and savings	\$ 77,570	41,218
Total cash, restricted cash and cash equivalents	\$ <u>77,570</u>	<u>41,218</u>

Restricted cash and investments are \$117,582. See Note M for details. The money market funds in Vanguard contain donor restricted cash.

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021, With Comparative Totals For 2020

C. INVESTMENTS

Investments consist of a Vanguard account with diversified types of mutual fund investments. The investments are recognized at fair value or approximate fair value. Net realized and unrealized gains and losses are recorded as increases or decreases in revenues without donor restrictions, respectively.

Investments as of September 30 are as follows:

Investments		2021	2020
Mutual funds - Vanguard	\$	91,696	78,997
Money market - Vanguard		811	134,800
	\$	92,507	213,797

D. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

NMCEH is substantially supported by restricted contributions. Because donors' restrictions require resources to be used in a particular manner or in a future period, NMCEH must maintain sufficient resources to meet those responsibilities to its donors. These financial assets may not be available for general expenditure within one year. As part of NMCEH's liquidity management, a policy is in place to structure financial assets to be available as general expenditures, liabilities, and other obligations come due. In addition, NMCEH can invest cash in excess of daily requirements in short-term investments. Occasionally, the board may designate a portion of any operating surplus to its liquidity reserve.

Liquidity is as follows:

		2021	2020
Financial assets, at year end			
Total cash	\$	77,570	41,218
Investments		92,507	213,797
Accounts and grants receivable		484,173	238,393
		654,250	493,408
Less those unavailable for general expenditures within one year, due to restricted by donor with purpose/time restrictions		517,119	111,208
Less net assets released from restriction in one year		(517,119)	(111,208)
		-	-
Financial assets available to meet cash needs for general expenditures within one year	\$	1,171,369	604,616

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021, With Comparative Totals For 2020

E. CONCENTRATIONS OF MARKET AND BUSINESS RISK

Concentrations consisted of the following for the years ended September 30:

Concentrations	2021	%	2020	%
City of Santa Fe	\$ 1,066,847	20.26%	125,740	5.77%
U.S. Dept. of Housing & Urban Development	632,011	12.00%	789,512	36.26%
Santa Fe County	544,816	10.35%	6,600	0.30%
City of Albuquerque	459,142	8.72%	358,020	16.44%
NM Mortgage Finance Authority	392,545	7.45%	291,179	13.37%
	\$ 3,095,361	58.78%	1,564,451	72.14%
 Total Revenue	 \$ 5,265,825		 2,177,661	

Geographical Concentration

NMCEH's operations are concentrated in Albuquerque and Santa Fe, New Mexico.

F. CONTINGENCY AND RISKS

Certain grants require fulfillment of certain conditions as set forth in the grant agreements and may be subject to audit. Failure to fulfill the conditions could result in the return of funds to grantors. Management does not expect to return any significant grant funds due to not fulfilling grant conditions.

G. GRANTS AND CONTRACTS RECEIVABLE

Accounts receivable as of September 30, 2021 and 2020 are as follows:

	2021	2020
U.S. Dept. of Housing Urban Development	\$ 64,842	69,233
City of Albuquerque	24,813	31,890
City of Santa Fe	251,500	115,710
Santa Fe County	53,026	6,858
New Mexico MFA	61,182	13,277
Other	28,810	1,425
	484,173	238,393
Less allowance for uncollectable accounts	-	-
Total	\$ 484,173	238,393

Management considers all amounts to be fully collectible as of September 30, 2021 and 2020.

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021, With Comparative Totals For 2020

H. ENDOWMENT FUND—DONOR RESTRICTED PERPETUAL IN NATURE

Endowment investments are held by the New Mexico Community Foundation. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions as required by U.S. GAAP.

Endowment net assets are as of September 30, are as follows:

	With Donor Restrictions Perpetual in Nature	
	2021	2020
Endowment fund	\$ 19,804	17,582

The Housing For All Endowment Fund, held by the New Mexico Community Foundation, is stated at fair value, which represents contributions made under the endowment plus earnings, less withdrawals and management fees.

Changes in endowment net assets for the years ended September 30, 2021 and 2020 are as follows:

	2021	2020
Endowment net assets, beginning of the year	\$ 17,582	17,546
Investment income (loss)	3,436	1,257
Contributions	-	-
Distributions	(714)	(721)
Appropriation of endowment assets for expenditures	(500)	(500)
Transfers to create board designated endowment funds	-	-
Endowment net assets, end of the year	\$ 19,804	17,582

Interpretation of Relevant Law

Management of NMCEH has interpreted accounting principles generally accepted in the United States of America as they relate to endowments of nonprofit organizations as requiring the preservation of the fair value of the original gift as of the gift date of the endowment funds with donor restrictions, absent explicit donor stipulations to the contrary. NMCEH classifies as net assets with donor restrictions perpetual in nature:

- (a) the original value of gifts donated to the permanent endowment and
- (b) the original value of subsequent gifts to the permanent endowment.

NEW MEXICO COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021, With Comparative Totals For 2020

In accordance with accounting standards for Endowments, NMCEH considers the following factors in making the determination to appropriate or accumulate endowment funds with donor restrictions:

- (1) the duration and preservation of the funds,
- (2) the purposes of the endowment funds with donor restrictions,
- (3) general economic conditions,
- (4) the possible effect of inflation and deflation,
- (5) the expected total return from income and the appreciation/depreciation of investments,
- (6) other resources of NMCEH, and
- (7) NMCEH's investment policies.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, NMCEH relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). NMCEH targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The amount and timing of each year's distribution shall be as stated in the New Mexico Community Foundation's current distribution policy. NMCEH will be notified annually following the end of the Foundation's fiscal year of the amount available for distribution. NMCEH may elect, in writing, to receive all or part of its current distribution.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual endowment funds with donor restrictions may fall below the level that the donor or accounting standard requires NMCEH to retain as a fund in perpetuity.

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021, With Comparative Totals For 2020

J. PROPERTY, EQUIPMENT AND DEPRECIATION

As of September 30, property, equipment and depreciation were:

<u>Property and Equipment - fiscal sponsor agency</u>					
<u>Espanola Pathways Shelter</u>	2020	Additions	Deletions	Restatement	2021
Land	\$ -	161,633	-	-	161,633
Buildings	-	242,450	-	-	242,450
	-	404,083	-	-	404,083
Less: Accumulated depreciation	-	(4,546)	-	-	(4,546)
Property & equipment, net	\$ -	399,537	-	-	399,537

Depreciation expenses at September 30, 2021 and 2020 were \$4,546 and zero, respectively.

The total cost of the property of \$404,083 is comprised of \$2,500 credit from seller, \$389,158 paid by Santa Fe County to the title company for the property, and \$12,425 cash paid to cover soft costs.

K. COMPENSATED ABSENCES

Full time employees earn personal leave based on stated policies. These accrued amounts are shown as a liability on the statement of financial position and the related change in liability is reflected as an expense for the year in which the change occurs.

<u>Employees benefits</u>	<u>Sick/personal days</u>	<u>Vacation days</u>
Years 0-2 of employment	10	10
Years 3-4 of employment	10	15
Years 5-9 of employment	10	20
Years 10+ of employment	10	25

As of September 30, 2021 and 2020, NMCEH had a liability of accrued compensated absences payable of:

	2021	2020
Accrued vacation	\$ <u>44,391</u>	<u>37,317</u>

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021, With Comparative Totals For 2020

M. LEASE COMMITMENTS

NMCEH leases its general office under an operating lease that expired on September 30, 2021. The lease was extended until October 31, 2023 and has 2 options for two year renewals.

Minimum future lease payments as of September 30, 2021, are as follows:

	Offices Leases
2022 \$	65,404
2023	66,975
2024	27,637
2022	29,210
2023	27,334
\$	<u>216,560</u>

The lease expenses (including the shelters) for 2021 and 2020 were \$112,599 and \$89,088, respectively.

Espanola Pathways Shelter lease commitment as of September 30 is as follows:

	Leases
2022 \$	24,012
2023	-
2024	-
2022	-
2023	-
\$	<u>24,012</u>

On March 30, 2022, subsequent to the year ending September 30, 2021, Espanola Pathways Shelter purchased the building that was leased.

Also, Espanola Pathways Shelter rents storage for \$75/month at First Baptist Church of Espanola.

Consuelo's Place shelter space is donated by the City of Santa Fe in exchange for services. The fair market value of the space was provided by the City of Santa Fe. A formal agreement was not in place as of the issuance of these financial statements.

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021, With Comparative Totals For 2020

N. RETIREMENT PLAN

NMCEH participates in Simple IRA plans administered by American Funds, Raymond James, and the Vanguard Group. These plans are for the benefit of all eligible professional and support staff of NMCEH who qualify under the applicable participation requirements. Under the terms of the plan, contributions are made and are invested, at the discretion of the plan participant, in one or more of the investment vehicles available under the plan.

The plan provides for NMCEH to match participant contributions up to 3% of eligible salary. Retirement expense for the years ended September 30, 2021 and 2020 are below:

		<u>2021</u>	<u>2020</u>
Simple IRA expense	\$	<u>19,344</u>	<u>20,767</u>

O. NET ASSETS WITH DONOR RESTRICTIONS IN PURPOSE/TIME

NMCEH has the following net assets with donor restrictions in purpose/time at September 30:

<u>Source</u>	<u>2020</u>	<u>Additions</u>	<u>Released</u>	<u>2021</u>	<u>Type of restrictions</u>
Con Alma Foundation	\$ 2,742	10,000	(9,306)	3,436	program
Lineberry Foundation	-	25,000	-	25,000	program
Veterans Helping Homeless Veterans	3,659	1,115	(4,100)	674	program
Anchorum Foundation COVID	30,000	250,000	(248,607)	31,393	COVID Relief
National Low Income Housing Coalition Grant COVID	9,852	-	(9,852)	-	COVID Relief
Santa Fe Community Foundation COVID	30,000	-	(30,000)	-	COVID Relief
Fiscal Sponsorship - restricted	34,955	58,420	(36,296)	57,079	fiscal sponsor agencies
Fiscal Sponsorship - non-cash - restricted	-	404,083	(4,546)	399,537	Espanola Pathways Shelter
Total with donor restrictions in purpose/time	\$ <u>111,208</u>	<u>748,618</u>	<u>(342,707)</u>	<u>517,119</u>	

P. LITIGATION

NMCEH, in the ordinary course of business, is party to various legal proceedings, including employee claims. After consultation with counsel, management believes that the ultimate resolution of these proceedings will not have a material adverse effect on NMCEH's financial position.

Q. RELATED PARTIES TRANSACTIONS

One mission of the Coalition is to serve as a membership organization. Some member agencies that also receive funding through the work of the Coalition have representatives who serve on the Coalition's board. The Coalition has a policy of not allowing funded agencies to serve on the Impartial Review Committees that decide funding. The Coalition charges member agencies annual fees as part of its normal operations. In addition, the Executive Director was appointed in September 2020 and subsequently elected in November, 2020 as a County Commissioner for Santa

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021, With Comparative Totals For 2020

Fe County. The County awarded \$991,400 and \$95,000 in grants and contracts to NMCEH for the years ended September 30, 2021 and 2020, respectively. The County has implemented strict safeguards contained in the County Code of Conduct to avoid potential conflicts of interest with the Coalition. The Code of Conduct requires the Commissioner/Executive Director to recuse himself from any votes that relate to funding for NMCEH.

R. SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. NMCEH 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. NMCEH'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. NMCEH has evaluated subsequent events through June 10, 2022, which is the date the financial statements were available to be issued.

**NEW MEXICO COALITION TO END HOMELESSNESS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021**

Federal Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Grantor and Number	Name of Grant - Grant ID No.	Federal Expenditures(\$)
CDBG - Entitlement Grants-Cluster				
Department of Housing and Urban Development				
<i>Passed through City of Santa Fe</i>				
COVID-19 - Community Development Block Grants/Entitlement Grants - CARES				
Community Development Block Grants/Entitlement Grants	14.218	City of Santa Fe	20-0353 CARES	\$ 555,832
Total Community Development Block Grants/Entitlement Grants				<u>555,832</u>
Total Department of Housing and Urban Development				<u>555,832</u>
Total passed through CDBG - Entitlement Grants-Cluster				<u>555,832</u>
Other Programs				
Corporation for National and Community Service				
<i>Direct funding</i>				
Volunteers in Service to America				
Volunteers in Service to America	94.013		VISTA FY21--14SWNM002	3,903
Total Volunteers in Service to America				<u>3,903</u>
Total Direct Funding - Corporation for National and Community Service				<u>3,903</u>
Department of Homeland Security				
<i>Direct funding</i>				
Emergency Food and Shelter National Board Program				
Emergency Food and Shelter National Board Program	97.024		Phase 37/6100-00 023 E9	380
COVID-19 - Emergency Food and Shelter National Board Program - CARES	97.024		CARES-6100-00 024 E9/EPS	49,701
Emergency Food and Shelter National Board Program	97.024		6100-00 023 E9/Phase 38	789
COVID-19 - Emergency Food and Shelter National Board Program - CARES	97.024		CARES-6100-00 023 E9	<u>271</u>
Total Emergency Food and Shelter National Board Program				<u>51,141</u>
Total direct funding Department of Homeland Security				<u>51,141</u>
Department of Housing and Urban Development				
<i>Passed through City of Albuquerque</i>				
Emergency Solutions Grant Program				
Emergency Solutions Grant Program	14.231	City of Albuquerque	CCN202200138	8,898
Emergency Solutions Grant Program	14.231	City of Albuquerque	CCN 202001065	<u>27,053</u>
Total passed through City of Albuquerque				<u>35,951</u>
<i>Passed through New Mexico Mortgage and Finance Authority</i>				
Emergency Solutions Grant Program				
Emergency Solutions Grant Program	14.231	New Mexico Mortgage and Finance Authority	21-02-NMC-HMS-001	9,401
Emergency Solutions Grant Program	14.231	New Mexico Mortgage and Finance Authority	20-02-NMC-HMS-001	71,272
COVID-19 - Emergency Solutions Grant Program - CARES	14.231	New Mexico Mortgage and Finance Authority	20-02-NMC-CAE-001 CARES	<u>231,992</u>
Total passed through New Mexico Mortgage and Finance Authority				<u>312,665</u>
Total Emergency Solutions Grant Program				<u>348,616</u>

See independent auditor's report

NEW MEXICO COALITION TO END HOMELESSNESS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
For the Year Ended September 30, 2021

<i>Continuum of Care Program</i>		*			
Direct funding					
Continuum of Care Program	14.267		Direct	Continuum of Care (CE)--NM0085L6B011906	25,036
Continuum of Care Program	14.267		Direct	Continuum of Care (CE)--NM0081L6B001805	33,355
Continuum of Care Program	14.267		Direct	Continuum of Care (CE)--NM0081L6B002007	58,085
Continuum of Care Program	14.267		Direct	Continuum of Care (DV)--NM0130D6B012002	12,353
Continuum of Care Program	14.267		Direct	Continuum of Care (CE)--NM0085L6B012007	42,404
Continuum of Care Program	14.267		Direct	Continuum of Care (HMIS)--NM0043L6B012010	47,082
Continuum of Care Program	14.267		Direct	Continuum of Care (DV)--NM0130D6B011901	32,437
Continuum of Care Program	14.267		Direct	Continuum of Care (HMIS)--NM0043L6B011909	134,392
				Continuum of Care (BOS Planning)--	
Continuum of Care Program	14.267		Direct	NM0140L6B11900	<u>141,302</u>
Total direct funding Continuum of Care Program					526,446
Passed through City of Albuquerque					
Continuum of Care Program	14.267		City of Albuquerque, CCN202100202	City of Albuquerque COC Planning-- NM013900L6B001900	107,944
Continuum of Care Program	14.267		City of Albuquerque, CCN202100039	Continuum of Care (CoC admin)-- NM013900L6B001900	<u>14,442</u>
Total passed through Continuum of Care Program					<u>122,386</u>
Total Continuum of Care Program		*			648,832
Youth Homelessness Demonstration Program					
Direct funding					
Youth Homelessness Demonstration Program	14.276		Direct	Youth Homelessness Demonstration-- NM0137Y6B011700	<u>105,565</u>
Total Youth Homelessness Demonstration Program					<u>105,565</u>
Total Department of Housing and Urban Development					1,103,013
Department of the Treasury					
COVID-19 - Coronavirus Relief Fund					
Passed through County of Santa Fe					
COVID-19 - Coronavirus Relief Fund	21.019	*	County of Santa Fe	2020-0215-CSD/TVR- CARES Amendment	<u>401,583</u>
Total Coronavirus Relief Fund					<u>401,583</u>
Total Department of the Treasury					<u>401,583</u>
Total Other Programs					
Total Expenditures of Federal Awards					
					\$ <u>2,115,472</u>
* Denotes Major Program					
Reconciliation to Financial Statements					
Federal Revenue per statement of activities					2,115,472
Per SEFA					<u>2,115,472</u>
Difference					\$ <u>-</u>

See independent auditor's report

NEW MEXICO COALITION TO END HOMELESSNESS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021

Note 1. Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of New Mexico Coalition to End Homelessness and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Note 2. Subrecipients

New Mexico Coalition to End Homelessness did not pass-through federal funds to any organizations for the year ended September 30, 2021.

Note 3. Assisting Listing Numbers/Pass-Through Grantor Numbers

Federal granting agencies or their pass-through agencies are responsible for providing New Mexico Coalition to End Homelessness with the Assistance Listing number for each grant or contract. In cases where a federal granting agency did not provide the Assistance Listing number, other identifying numbers are presented on the schedule of expenditures of federal awards, if available.

In addition, for pass-through awards, the pass-through granting agencies are responsible for providing the organization with the Assistance Listing number as well as pass-through grantor numbers. In cases where the pass-through granting agency did not provide this number to the organization, it is noted as "NA" (not available) on the schedule of expenditures of federal awards.

Note 4. De-Minimis Indirect Cost Rate

The organization uses the 10 percent de minimis indirect cost rate.

Note 5. Non-cash federal assistance

New Mexico Coalition to End Homelessness received \$389,158 as non-cash assistance (property purchase paid to a third party by the Santa Fe County).



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
New Mexico Coalition to End Homelessness
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New Mexico Coalition to End Homelessness (NMCEH) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, 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 June 10, 2022.

Report on Internal Control Over Financial Reporting

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

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, CONT.

June 10, 2022

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified material weaknesses or significant deficiencies and therefore, 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 New Mexico Coalition to End Homelessness's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Hinkle + Landers, P.C.

Albuquerque, NM

June 10, 2022



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

Board of Directors

New Mexico Coalition to End Homelessness

Santa Fe, NM

Report on Compliance for Each Major Federal Program

We have audited New Mexico Coalition to End Homelessness's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of New Mexico Coalition to End Homelessness's major federal programs for the year ended September 30, 2021. New Mexico Coalition to End Homelessness's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of New Mexico Coalition to End Homelessness's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about New Mexico Coalition to End Homelessness's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

June 10, 2022

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

Opinion on Each Major Federal Program

In our opinion, New Mexico Coalition to End Homelessness 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, 2021.

Report on Internal Control Over Compliance

Management of New Mexico Coalition to End Homelessness is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered New Mexico Coalition to End Homelessness's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of New Mexico Coalition to End Homelessness's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control

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

June 10, 2022

over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hinkle & Landers, P.C.

Hinkle + Landers, P.C.

Albuquerque, NM

June 10, 2022

**NEW MEXICO COALITION TO END HOMELESSNESS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended September 30, 2021**

SECTION II and III—SUMMARY OF FINDINGS

FINANCIAL STATEMENTS AND FEDERAL AWARD FINDINGS

Reference #	Finding	Status of Prior Year Findings	Type of Finding
Prior Year Findings			
none			
Current Year Findings			
none			

* 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 Non-compliance Related to Federal Awards
- G. Instance of Material Non-compliance