



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, 2020
With Comparative Totals for 2019

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TABLE OF CONTENTS

	<u>Page</u>
Table of Contents	i
Official Roster	1
Independent Auditor's Report	2-4
Financial Statements	
Statement of Financial Position	5
Statement of Activities	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to the Financial Statements	9-21
Supplementary Information	
Schedule of Expenditures of Federal Awards	22
Notes to Schedule of Expenditures of Federal Awards	23
Federal Compliance Reports	
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 <i>Government Auditing Standards</i>	24-25
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	26-27
Summary of Auditor's Results	28
Schedule of Findings and Questioned Costs	29-30

NEW MEXICO COALITION TO END HOMELESSNESS
OFFICIAL ROSTER
As of September 30, 2020

BOARD OF DIRECTORS

Meryl Lieberman	Co-Chair
Henry Brutus	Co-Chair
Edward Archuleta	Secretary
George Francis Lyon	Treasurer
Ann Shaw	Member
Bobby Ehrig	Member
David Sisneros	Member
Henrietta Correa	Member
Jonna Sharpe	Member
Lacy Yoxall	Member
Linda Stone	Member
Lynn K. Valdez	Member
Mary Ann Chavez Lopez	Member
Nicole Martinez	Member
Rachel Sierra	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, 2020, 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, 2020, 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 2019 financial statements, and our report dated March 30, 2020, 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, 2019, 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 15, 2021 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 15, 2021

NEW MEXICO COALITION TO END HOMELESSNESS
STATEMENT OF FINANCIAL POSITION
For The Year Ended September 30, 2020, With Comparative Totals For 2019

	Notes	2020	2019
ASSETS			
Current Assets			
Cash, restricted cash and cash equivalents	C	\$ 41,218	75,404
Program receivables	H	-	4,500
Grants and contracts receivables	H	238,393	146,934
Prepaid expenses		8,516	5,075
Investments	D	213,797	104,778
Total Current Assets		501,924	336,691
Long - Term Assets			
Other Assets			
Endowment fund	I	17,582	17,546
Total Other Assets		17,582	17,546
Total Assets	\$	519,506	354,237
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable		\$ 44,655	18,068
Payroll tax liability		9,981	8,740
Compensated absences payable	J	37,317	29,367
Due to other agencies	K	-	16,336
Benefits payable		3,318	2,913
Total Current Liabilities		95,271	75,424
Total Liabilities		95,271	75,424
Net Assets			
Undesignated		280,370	228,136
Board designated		850	850
With donor restrictions in purpose/time	N	125,433	32,281
With donor restrictions perpetual in nature	I	17,582	17,546
Total Net Assets		424,235	278,813
Total Liabilities and Net Assets	\$	519,506	354,237

NEW MEXICO COALITION TO END HOMELESSNESS
STATEMENT OF ACTIVITIES
For The Year Ended September 30, 2020, With Comparative Totals For 2019

	2020			2019	
	Without Donor Restrictions	With Donor Restrictions	Perpetual Restrictions	Total	Total
Revenue and support					
Federal grant income	\$ 930,576	54,155	-	984,731	866,426
Other grants and contracts	562,777	291,149	-	853,926	263,901
Program service fees	67,142	-	-	67,142	60,515
Dues and membership	28,579	-	-	28,579	31,275
Contributions	82,217	151,985	-	234,202	51,771
Change in value of agency endowment fund	-	-	36	36	(1,062)
Interest income	27	-	-	27	128
Investment income (net)	9,018	-	-	9,018	5,986
Net assets released from restriction	404,137	(404,137)	-	-	-
Total revenue and support	<u>2,084,473</u>	<u>93,152</u>	<u>36</u>	<u>2,177,661</u>	<u>1,278,940</u>
Expenses					
Program services	1,861,017	-	-	1,861,017	1,206,303
General and administrative	161,708	-	-	161,708	63,608
Fundraising expenses	9,514	-	-	9,514	5,935
Total expenses	<u>2,032,239</u>	<u>-</u>	<u>-</u>	<u>2,032,239</u>	<u>1,275,846</u>
Change in net assets	52,234	93,152	36	145,422	3,094
Net assets, beginning of year	228,986	32,281	17,546	278,813	275,719
Net assets, end of year	<u>\$ 281,220</u>	<u>125,433</u>	<u>17,582</u>	<u>424,235</u>	<u>278,813</u>

NEW MEXICO COALITION TO END HOMELESSNESS
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended September 30, 2020, With Comparative Totals For 2019

		2020									
		Program Services									
		Fiscal Sponsor									
		Espanola Pathways Shelter	Interfaith Worker Justice	Consuelo's Place	Total Fiscal Sponsor	Total Program	General & Administrative	Fundraising	Total	2019 Total	
		Coalition									
Salaries and wages	\$	823,774	1,192	-	15,297	16,489	840,263	76,515	4,737	921,515	723,327
Employee benefits		111,276	-	-	2,282	2,282	113,558	7,189	758	121,505	97,058
Payroll taxes		50,578	-	-	1,284	1,284	51,862	18,201	362	70,425	55,022
Total salaries and related expenses		985,628	1,192	-	18,863	20,055	1,005,683	101,905	5,857	1,113,445	875,407
Professional fees		215,476	146,797	-	-	146,797	362,273	27,128	-	389,401	200,011
Program expenses		197,629	21,391	-	75	21,466	219,095	5	878	219,978	60,363
Occupancy		59,205	29,883	-	-	29,883	89,088	-	-	89,088	46,221
Repairs and maintenance		-	70,834	-	-	70,834	70,834	-	-	70,834	-
Insurance		-	11,890	-	21,682	33,572	33,572	7,834	-	41,406	5,609
Travel		18,559	-	1,162	-	1,162	19,721	2	-	19,723	39,925
Food and kitchen		-	2,520	14,922	-	17,442	17,442	-	-	17,442	-
Office		4,292	410	-	237	647	4,939	11,244	449	16,632	14,890
Telephone		1,033	1,064	900	-	1,964	2,997	12,178	-	15,175	10,017
Specific assistance to agencies		15,000	-	-	-	-	15,000	-	-	15,000	16,432
Other expenses		3,887	435	-	1,989	2,424	6,311	1,112	500	7,923	1,994
Fiscal agent fee		-	5,338	1,258	-	6,596	6,596	-	-	6,596	-
Utilities		-	2,733	-	-	2,733	2,733	-	-	2,733	-
Copying and printing		740	-	-	-	-	740	-	1,572	2,312	2,214
Conferences, meetings and staff development		1,213	738	-	-	738	1,951	300	-	2,251	1,604
Postage		921	64	-	-	64	985	-	258	1,243	1,159
Furniture		-	1,057	-	-	1,057	1,057	-	-	1,057	-
Total expenses before depreciation		1,503,583	296,346	18,242	42,846	357,434	1,861,017	161,708	9,514	2,032,239	1,275,846
Depreciation		-	-	-	-	-	-	-	-	-	-
Total expenses	\$	1,503,583	296,346	18,242	42,846	357,434	1,861,017	161,708	9,514	2,032,239	1,275,846

NEW MEXICO COALITION TO END HOMELESSNESS
STATEMENT OF CASH FLOWS
For The Year Ended September 30, 2020, With Comparative Totals For 2019

	2020	2019
Cash Flows From Operating Activities		
Cash from grants and contracts	\$ 1,744,825	1,076,190
Cash from program income	71,642	56,015
Cash received from membership dues	28,579	31,275
Cash received from contributions	234,202	51,771
Interest income	27	128
Cash paid to employees	(1,123,904)	(875,879)
Cash paid to suppliers	(890,314)	(392,948)
Cash provided by (used for) operating activities	65,057	(53,448)
Cash Flows From Investing Activities		
Purchases of investments	(100,000)	(100,000)
Proceeds from investments	2,873	2,301
Reinvested interest	(1,616)	(1,090)
Expenses paid from endowment	(500)	(500)
Cash used for investing activities	(99,243)	(99,289)
Net Change in Cash, Restricted Cash and Cash Equivalents	(34,186)	(152,737)
Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	75,404	228,141
Cash, Restricted Cash, and Cash Equivalents, End of Year	\$ 41,218	75,404
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities		
Change in Net Assets	\$ 145,422	3,094
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	-
Change in value of agency endowment fund	(36)	1,062
Unrealized (gain)/loss on investments	(7,403)	(5,489)
<i>(Increases) decreases in operating assets:</i>		
(Increase) decrease in receivables	(93,832)	(63,027)
(Increase) decrease in program receivables	4,500	(4,500)
(Increase) decrease in prepaid expense	(3,441)	-
<i>Increase (decrease) in operating liabilities:</i>		
Increase (decrease) in accounts payable	26,587	14,565
Increase (decrease) accrued expenses	1,646	1,493
Increase (decrease) accrued compensated absences	7,950	(1,965)
Increase (decrease) in fiscal sponsor payable	(16,336)	1,319
Cash provided by (used for) operating activities	\$ 65,057	(53,448)

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020, With Comparative Totals For 2019

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 and facilitates the grant writing process of the City of Santa Fe and the Balance of the State of New Mexico Continuum of Care, as well as provides management and coordination of the Homeless Management Information System. The New Mexico Coalition to End Homelessness is funded by the City of Santa Fe, 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.

B. 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, the Organization 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.

3. Net Assets

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 the organization. The organization's Board of Directors may designate assets without restrictions for specific operational purposes from time to time.

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020, With Comparative Totals For 2019

The undesignated net assets represent the investment in undesignated assets and amounts invested in property and equipment, less accumulated depreciation and amortization and any related debt.

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 N.

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. NMCEH has no donor restricted net assets that are perpetually restricted. See Note I 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 money market funds and 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 that 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 income and gains (losses) restricted by donors are reported as increases (decreases) in net assets without donor restrictions unless donor-imposed restrictions have not been met in the reporting period in which the income and gains are recognized. Investments which are intended for long-

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020, With Comparative Totals For 2019

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.

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.

NEW MEXICO COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020, With Comparative Totals For 2019

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.

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 Corporation’s financial instruments by the above FASB ASC 820-10 categories as of September 30:

Description	2020		2019	
	Level 1	Level 2	Level 1	Level 2
Endowment	\$ -	17,582	-	17,546
Mutual funds	78,997	-	70,285	-
Total	\$ 78,997	17,582	-	17,546

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

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020, With Comparative Totals For 2019

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 the years ended September 30, 2020 and 2019.

12. Functional Expense Allocation

The costs of providing the various programs and other activities of the 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.

NEW MEXICO COALITION TO END HOMELESSNESS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020, With Comparative Totals For 2019

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

- Government Contracts—Contract revenue is recorded at the time the services are provided and the performance obligation is satisfied.
- Government Grants—Government grants are typically recorded on a reimbursement basis. Specifically, when NMCEH has incurred the expenses in compliance with the general and specific requirements of the funding source, both the receivable from the government granting agency and offsetting grant revenue are recorded.
- Private Grants—Private grants are typically recorded as revenue with donor restrictions based on either a purpose (program) restriction and/or a time restriction based on when the grantor has notified or advanced funds to NMCEH.
- 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.

NEW MEXICO COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020, With Comparative Totals For 2019

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.

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with NMCEH's financial statements for the year ended September 30, 2019, from which the summarized information was derived.

17. Reclassifications

Certain reclassifications may have been made to the 2019 summarized financial statement information to conform to the current year presentation.

C. CASH, RESTRICTED CASH, AND CASH EQUIVALENTS

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

<u>Type</u>	<u>2020</u>	<u>2019</u>
Checking and savings	\$ <u>41,218</u>	<u>75,404</u>
Total cash, restricted cash and cash equivalents	\$ <u><u>41,218</u></u>	<u><u>75,404</u></u>

Restricted cash and investments are \$125,433. See Note N for details. The money market funds in Vanguard contain donor restricted cash.

D. 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.

NEW MEXICO COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020, With Comparative Totals For 2019

Investments as of September 30, are as follows:

<u>Investments</u>	<u>2020</u>	<u>2019</u>
Mutual funds - Vanguard	78,997	70,285
Money market - Vanguard	134,800	34,493
	<u>\$ 213,797</u>	<u>104,778</u>

E. 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:

	<u>2020</u>	<u>2019</u>
Financial assets, at year end		
Total cash	\$ 41,218	75,404
Investments	213,797	104,778
Accounts and grants receivable	238,393	151,434
Less those unavailable for general expenditures within one year, due to restricted by donor with purpose/time restrictions	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 493,408</u>	<u>331,616</u>

F. CONCENTRATIONS OF MARKET AND BUSINESS RISK

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

<u>Concentrations</u>	<u>2020</u>	<u>%</u>	<u>2019</u>	<u>%</u>
US Dept. of Housing & Urban Development	\$ 658,567	30.24%	596,649	46.65%
City of Albuquerque	358,020	16.44%	343,163	26.83%
NM Mortgage Finance Authority	291,179	13.37%	123,532	9.66%
	<u>\$ 1,307,766</u>	<u>60.05%</u>	<u>1,063,344</u>	<u>83.14%</u>
Total Revenue	<u>\$ 2,177,661</u>		<u>1,278,940</u>	

Geographical Concentration

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

NEW MEXICO COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020, With Comparative Totals For 2019

G. 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.

H. GRANTS AND CONTRACTS RECEIVABLE

Accounts receivable as of September 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
U.S. Dept. of Housing Urban Development	\$ 69,233	49,234
City of Albuquerque	31,890	67,988
City of Santa Fe	115,710	-
Santa Fe County	6,858	-
New Mexico MFA	13,277	5,682
Other	1,425	24,030
Program fees	-	4,500
	<u>238,393</u>	<u>151,434</u>
Less allowance for uncollectable accounts	-	-
Total	<u>\$ 238,393</u>	<u>151,434</u>

Management considers all amounts to be fully collectible as of September 30, 2020 and 2019.

I. 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:

	<u>With Donor Restrictions</u>	
	<u>Perpetual in Nature</u>	
	<u>2020</u>	<u>2019</u>
Endowment fund	<u>\$ 17,582</u>	<u>17,546</u>

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.

NEW MEXICO COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020, With Comparative Totals For 2019

Changes in endowment net assets for the years ended September 30, 2020 and 2019 are as follows:

	2020	2019
Endowment net assets, beginning of the year	\$ 17,546	18,608
Investment income (loss)	1,257	171
Contributions	-	-
Distributions	(721)	(733)
Appropriation of endowment assets for expenditures	(500)	(500)
Transfers to create board designated endowment funds	-	-
Endowment net assets, end of the year	\$ 17,582	17,546

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.

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

NEW MEXICO COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020, With Comparative Totals For 2019

unrealized) and current yield (interest and dividends). The 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.

J. 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, 2020 and 2019, NMCEH had a liability of accrued compensated absences payable of:

	<u>2020</u>	<u>2019</u>
Accrued vacation	\$ <u>37,317</u>	<u>29,367</u>

K. FISCAL SPONSORSHIP

During FY20, NMCEH acted as a fiscal sponsor for three organizations: Espanola Pathways Shelter, Consuelo’s Place Shelter and Interfaith Worker Justice.

L. LEASE COMMITMENTS

NMCEH leases its general office under an operating lease that expires on September 30, 2021.

NEW MEXICO COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020, With Comparative Totals For 2019

Minimum future lease payments as of September 30, 2020, are as follows:

	<u>Offices Leases</u>
2021	\$ 60,644
2022	-
2023	-
2022	-
2023	-
	<u>\$ 60,644</u>

The lease expenses for 2020 and 2019 were \$89,088 and \$46,221, respectively.

Espanola Pathways Shelter Lease commitment as of September 30 is as follow:

	<u>Leases</u>
2021	\$ 35,055
2022	36,107
2023	37,190
2022	38,306
2023	28,869
	<u>\$ 175,526</u>

M. 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, 2020 and 2019 are below:

Simple IRA expense	\$	<u>2020</u>	<u>2019</u>
		<u>20,767</u>	<u>17,041</u>

NEW MEXICO COALITION TO END HOMELESSNESS
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020, With Comparative Totals For 2019

N. NET ASSETS WITH DONOR RESTRICTIONS IN PURPOSE/TIME

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

Source	2019	Additions	Released	2020	Type of restrictions
Con Alma Foundation	\$ 6,737	7,500	(11,495)	2,742	program
Lineberry Foundation	25,060	-	(25,060)	-	program
Veterans Helping Homeless Veterans	484	3,175	-	3,659	program
Anchorum Foundation COVID	-	30,000	-	30,000	COVID Relief
National Low Income Housing Coalition Grant COVID	-	20,000	(10,148)	9,852	COVID Relief
Santa Fe Community Foundation COVID	-	30,000	-	30,000	COVID Relief
Advisory Board	-	14,225	-	14,225	program
Fiscal sponsorship	-	392,389	(357,434)	34,955	fiscal sponsor agencies
Total with donor restrictions in purpose/time	<u>\$ 32,281</u>	<u>497,289</u>	<u>(404,137)</u>	<u>125,433</u>	

O. 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.

P. RELATED PARTIES TRANSACTIONS

Part of the mission of the Coalition is to serve as a membership organization. Therefore, member agencies have representatives who serve on the board of the Coalition. The Coalition charges member agencies annual fees as part of its normal operations.

Q. 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 15, 2021, 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, 2020

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Grantor and Number	Name of Grant - Grant ID No.	Federal Expenditures(\$)
CDBG - Entitlement Grants-Cluster				
Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants				
Community Development Block Grants/Entitlement Grants	14.218	City of Santa Fe, 22101739		\$ 44,942
Total Community Development Block Grants/Entitlement Grants				<u>44,942</u>
Total Department of Housing and Urban Development				<u>44,942</u>
Total CDBG - Entitlement Grants-Cluster				
Other Programs				
Corporation for National and Community Service				
Volunteers in Service to America				
Volunteers in Service to America	94.013		VISTA FY20-- 14SWNM002	17,369
Volunteers in Service to America	94.013		VISTA FY21-- 14SWNM002	<u>1,425</u>
Total Volunteers in Service to America				<u>18,794</u>
Total Corporation for National and Community Service				18,794
Department of Homeland Security				
Emergency Food and Shelter National Board Program				
Emergency Food and Shelter National Board Program	97.024	United Way/ Santa Fe County, CARES- 6100-00 024 E9		<u>1,669</u>
Total Emergency Food and Shelter National Board Program				<u>1,669</u>
Total Department of Homeland Security				1,669
Department of Housing and Urban Development				
Emergency Solutions Grant Program				
Emergency Solutions Grant Program	14.231	City of Albuquerque, CCN202000083		27,982
Emergency Solutions Grant Program	14.231	NMFMA, 19-02-NMC-HMS-001		70,003
Emergency Solutions Grant Program	14.231	NMFMA, 20-02-NMC-HMS-001		16,273
Emergency Solutions Grant Program	14.231	City of Albuquerque, CCN 202001065		<u>18,506</u>
Total Emergency Solutions Grant Program				132,764
Section 4 Capacity Building for Community Development and Affordable Housing				
Section 4 Capacity Building for Community Development and Affordable Housing	14.252	Enterprise Community Partners , B-17- CB-MD-0001/18SG1166	HUD Toolkit for Supportive Housing-- 18SG1166	<u>27,265</u>
Total Section 4 Capacity Building for Community Development and Affordable Housing				27,265
Continuum of Care Program				
Continuum of Care Program	14.267	Direct	NM0085L6B011906	30,690
Continuum of Care Program	14.267	Direct	NM0131L6B011800	142,128
Continuum of Care Program	14.267	Direct	NM0085L6B011805	23,976
Continuum of Care Program	14.267	Direct	NM0130D6B011800	29,831
Continuum of Care Program	14.267	Direct	NM0081L6B001906	58,479
Continuum of Care Program	14.267	Direct	NM0043L6B011808	128,880
Continuum of Care Program	14.267	Direct	NM0130D6B011901	9,089
Continuum of Care Program	14.267	Direct	NM0043L6B011909	21,846
Continuum of Care Program	14.267	City of Albuquerque - CCN20200079 City of Albuquerque,	CoC admin	9,427
Continuum of Care Program	14.267	NM0126L6B001800/CCN20200078	NM0126L6B001800	81,662
Continuum of Care Program	14.267	Direct	NM0081L6B001805	<u>58,963</u>
Total Continuum of Care Program			*	594,971
Youth Homelessness Demonstration Program				
Youth Homelessness Demonstration Program	14.276		NM0124Y6B011700	13,632
Youth Homelessness Demonstration Program	14.276		NM0137Y6B011700	<u>141,053</u>
Total Youth Homelessness Demonstration Program				<u>154,685</u>
Total Department of Housing and Urban Development				<u>909,685</u>
Total Other Programs				
Total Expenditures of Federal Awards				
				<u>\$ 975,090</u>
* Denotes Major Program				
Reconciliation to Financial Statements				
Federal Revenue per statement of activities				984,731
Per SEFA				<u>975,090</u>
Difference (not all grants are on reimbursement basis)				\$ <u>9,641</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, 2020

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, 2020.

Note 3. CFDA 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 Catalog of Federal Domestic Assistance (CFDA) number for each grant or contract. In cases where a federal granting agency did not provide the CFDA 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 CFDA 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.



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 the NMCEH (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, 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 15, 2021.

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.

June 15, 2021

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 15, 2021



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, 2020. 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.

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, 2020.

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

June 15, 2021

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

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 15, 2021

NEW MEXICO COALITION TO END HOMELESSNESS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For The Year Ended September 30, 2020

Section I—Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Type of auditor’s report issued: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR .516(a) Yes No

Identification of Major Federal Programs

CFDA Number	Name of Federal Program or Cluster	Funding Source
14.267	Continuum of Care Program	Department of Housing and Urban Development
Dollar threshold used to distinguish between type A and type B programs:		<u>\$750,000</u>
Auditee qualified as low-risk auditee?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

NEW MEXICO COALITION TO END HOMELESSNESS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For The Year Ended September 30, 2020

SECTION II and III—SUMMARY OF FINDINGS

FINANCIAL STATEMENTS AND FEDERAL AWARD FINDINGS

<u>Reference #</u>	<u>Finding</u>	<u>Status of Prior Year Findings</u>	<u>Type of Finding</u>
Prior Year Findings			
2019-001	Grant Management and Schedule of Expenditures of Federal Awards	Resolved	A, E
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