

A NEW DAY, INC.

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

JUNE 30, 2021 and 2020



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INDEPENDENT AUDITOR'S REPORT

Board of Directors and Management
A New Day, Inc.
Albuquerque, New Mexico

I have audited the accompanying financial statements of A New Day, Inc. (a New Mexico nonprofit organization) which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits 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 I 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 statements. 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 purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of A New Day, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

My 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, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated November 7, 2021 on my consideration of A New Day, Inc.'s internal control over financial reporting and on my 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 my 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 A New Day, Inc.'s internal control over financial reporting and compliance.

James L. Hartogensis, CPA LLC

Albuquerque, New Mexico
November 7, 2021

A NEW DAY, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 622,304	\$ 952,800
Grants receivable	437,149	277,385
Other accounts receivable	12,463	15,482
Promises to give	70,000	70,000
Prepaid expenses	121,732	41,724
Security deposit	7,368	7,368
Total current assets	1,271,016	1,364,759
Land, property and equipment		
Land	419,311	305,000
Property and equipment, net of accumulated depreciation	2,170,739	1,679,701
Total property, land and equipment, net	2,590,050	1,984,701
Other assets		
Intangibles, net of amortization	-	-
Funds held in trust for clients	10,220	22,609
Total other assets	10,220	22,609
Total assets	\$ 3,871,286	\$ 3,372,069
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 62,279	\$ 16,462
Accrued expenses	195,258	164,599
Funds held in trust for clients	10,220	22,609
Total current liabilities	267,757	203,670
Long-term Liabilities		
Loan payable	-	381,805
Total liabilities	267,757	585,475
Net Assets		
Without donor restrictions	1,228,544	921,246
With donor restrictions	2,374,985	1,865,348
Total net assets	3,603,529	2,786,594
Total liabilities and net assets	\$ 3,871,286	\$ 3,372,069

The accompanying notes are an integral part of these financial statements.

A NEW DAY, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Revenue, Gains and Other Support			
Contributions	\$ 1,173,750	\$ -	\$ 1,173,750
Grants, contracts and subsidies	-	2,959,563	2,959,563
Paycheck Protection Program loan forgiven	381,805	-	381,805
Medicaid	-	102,297	102,297
Fundraising events	49,045	-	49,045
Other	33,977	-	33,977
Net assets released from restrictions	<u>2,552,223</u>	<u>(2,552,223)</u>	<u>-</u>
Total revenue, gains and other support	<u>4,190,800</u>	<u>509,637</u>	<u>4,700,437</u>
Expenses			
Program expenses			
Clinical	114,198	-	114,198
Family Supports	603,155	-	603,155
Housing	1,937,367	-	1,937,367
Community Connections	<u>906,146</u>	<u>-</u>	<u>906,146</u>
Total program services	3,560,866	-	3,560,866
Management and general	240,987	-	240,987
Fundraising	<u>81,649</u>	<u>-</u>	<u>81,649</u>
Total expenses	<u>3,883,502</u>	<u>-</u>	<u>3,883,502</u>
Change in net assets	307,298	509,637	816,935
Net assets, beginning of year	<u>921,246</u>	<u>1,865,348</u>	<u>2,786,594</u>
Net assets, end of year	<u>\$ 1,228,544</u>	<u>\$ 2,374,985</u>	<u>\$ 3,603,529</u>

The accompanying notes are an integral part of these financial statements.

A NEW DAY, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue, Gains and Other Support			
Contributions	\$ 191,197	\$ -	\$ 191,197
Grants, contracts and subsidies	-	2,699,648	2,699,648
Medicaid	-	137,492	137,492
Fundraising events	8,024	-	8,024
Other	43,427	-	43,427
Net assets released from restrictions	2,921,244	(2,921,244)	-
Total revenue, gains and other support	3,163,892	(84,104)	3,079,788
Expenses			
Program expenses			
Clinical	106,377	-	106,377
Safe Home	964,782	-	964,782
JJD	67,116	-	67,116
Life Skills	483,524	-	483,524
Transitional Living	1,021,891	-	1,021,891
Community Connections	177,652	-	177,652
Total program services	2,821,342	-	2,821,342
Management and general	190,615	-	190,615
Fundraising	93,669	-	93,669
Total expenses	3,105,626	-	3,105,626
Change in net assets	58,266	(84,104)	(25,838)
Net assets, beginning of year	862,980	1,949,452	2,812,432
Net assets, end of year	\$ 921,246	\$ 1,865,348	\$ 2,786,594

The accompanying notes are an integral part of these financial statements.

A NEW DAY, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 816,935	\$ (25,838)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	106,228	74,736
Changes in assets and liabilities:		
Decrease (increase) in grants receivable	(159,764)	(9,350)
Decrease (increase) in other receivables	3,019	(5,876)
Decrease (increase) in promises to give	-	30,000
Decrease (increase) in prepaid expenses	(80,008)	(5,140)
(Decrease) increase in accounts payable	45,817	(4,412)
(Decrease) increase in accrued expenses	30,659	43,982
(Decrease) increase in deferred revenue	-	(11,800)
Net cash provided by (used by) operating activities	<u>762,886</u>	<u>86,302</u>
Cash Flows From Investing Activities		
Purchases of fixed assets	<u>(711,577)</u>	<u>(1,739)</u>
Net cash used by investing activities	<u>(711,577)</u>	<u>(1,739)</u>
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program loan	-	381,805
Paycheck Protection loan forgiven	(381,805)	-
Proceeds from issuance of short-term debt	300,000	-
Repayment of short-term debt	<u>(300,000)</u>	<u>-</u>
Net cash provided by (used by) financing activities	<u>(381,805)</u>	<u>381,805</u>
Net change in cash and cash equivalents	(330,496)	466,368
Cash and cash equivalents, beginning of year	<u>952,800</u>	<u>486,432</u>
Cash and cash equivalents, end of year	<u>\$ 622,304</u>	<u>\$ 952,800</u>

The accompanying notes are an integral part of these financial statements.

A NEW DAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Program Services		
	Clinical	Family Supports	Housing
Salaries and related expenses			
Salaries	\$ 53,401	\$ 448,213	\$ 1,047,243
Payroll taxes	4,178	35,721	85,149
Employee benefits	772	27,828	69,753
Total salaries and related expenses	58,351	511,762	1,202,145
Other expenses			
Bad debts	29,482	-	10,232
Contract labor	4,409	59	31,352
Education, training and recruiting	139	8,213	8,033
Equipment and facility maintenance	1,133	7,281	41,243
Equipment rental	193	1,098	2,653
Food and entertainment	1	41	32,805
Fundraising expenses	-	8,008	-
Insurance	1,909	9,608	24,431
Interest and penalties	-	1	3
Miscellaneous	911	2,395	31,155
Postage and shipping	38	185	516
Professional services	522	2,612	13,479
Rent	6,646	12,587	348,939
Supplies	5,848	11,405	95,371
Telephone	1,313	7,487	23,286
Utilities	467	-	23,208
Vehicles and transportation	1	4,485	7,533
Expenses before depreciation and amortization	111,363	587,227	1,896,384
Depreciation and amortization	2,835	15,928	40,983
Total expenses	\$ 114,198	\$ 603,155	\$ 1,937,367

The accompanying notes are an integral part of these financial statements.

<u>Community Connections</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
\$ 576,716	\$ 2,125,573	\$ 92,006	\$ 51,869	\$ 2,269,448
44,370	169,418	7,740	4,475	181,633
42,915	141,268	6,563	577	148,408
664,001	2,436,259	106,309	56,921	2,599,489
-	39,714	-	-	39,714
219	36,039	23,280	8	59,327
24,812	41,197	16,711	124	58,032
42,550	92,207	9,472	3,110	104,789
4,663	8,607	1,307	133	10,047
2,484	35,331	62	1	35,394
618	8,626	-	13,576	22,202
13,947	49,895	12,725	1,272	63,892
6,675	6,679	6,799	221	13,699
17,150	51,611	11,063	88	62,762
437	1,176	316	262	1,754
8,898	25,511	3,968	348	29,827
18,631	386,803	16,804	1,683	405,290
44,936	157,560	4,470	1,311	163,341
12,004	44,090	5,599	247	49,936
10,629	34,304	-	-	34,304
11,386	23,405	70	-	23,475
884,040	3,479,014	218,955	79,305	3,777,274
22,106	81,852	22,032	2,344	106,228
<u>\$ 906,146</u>	<u>\$ 3,560,866</u>	<u>\$ 240,987</u>	<u>\$ 81,649</u>	<u>\$ 3,883,502</u>

The accompanying notes are an integral part of these financial statements.

A NEW DAY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

	Program Services			
	Clinical	Safe Home	Resource Families	Life Skills
Salaries and related expenses				
Salaries	\$ 65,792	\$ 613,415	\$ 45,649	\$ 309,117
Payroll taxes	5,358	49,523	3,278	23,813
Employee benefits	766	43,939	1,681	28,619
Total salaries and related expenses	71,916	706,877	50,608	361,549
Other expenses				
Bad debts	5,026	634	-	-
Billing services	115	1,126	-	-
Contract labor	13,616	25,694	6	33
Education, training and recruiting	193	11,726	9,658	14,262
Equipment and facility maintenance	413	26,256	1,132	8,568
Equipment rental	191	3,153	-	1,338
Food and entertainment	-	35,532	-	293
Fundraising expenses	172	2,932	-	2,062
Insurance	927	17,624	-	7,245
Interest and penalties	-	-	-	45
Miscellaneous	238	4,090	-	23,549
Postage and shipping	26	446	-	246
Professional services	176	3,408	-	8,554
Rent	5,472	24,269	4,607	10,536
Supplies	5,465	26,474	356	14,181
Telephone	1,688	9,265	749	4,834
Utilities	515	17,535	-	7,074
Vehicles and transportation	3	18,729	-	4,793
Expenses before depreciation and amortization	106,152	935,770	67,116	469,162
Depreciation and amortization	225	29,012	-	14,362
Total expenses	<u>\$ 106,377</u>	<u>\$ 964,782</u>	<u>\$ 67,116</u>	<u>\$ 483,524</u>

The accompanying notes are an integral part of these financial statements.

Transitional Living	Community Connections	Total Program Services	Management and General	Fundraising	Total Expenses
\$ 589,588	\$ 114,407	\$ 1,737,968	\$ 116,230	\$ 53,565	\$ 1,907,763
46,022	8,890	136,884	5,535	4,348	146,767
47,404	8,431	130,840	10,587	1,510	142,937
683,014	131,728	2,005,692	132,352	59,423	2,197,467
-	-	5,660	-	-	5,660
-	-	1,241	-	-	1,241
472	5,224	45,045	15,732	1	60,778
16,358	2,808	55,005	2,165	280	57,450
11,382	3,126	50,877	4,441	2,985	58,303
2,677	573	7,932	1,338	287	9,557
-	91	35,916	-	-	35,916
4,117	897	10,180	1,269	25,145	36,594
14,945	3,205	43,946	7,148	1,359	52,453
-	-	45	1,265	64	1,374
28,053	2,625	58,555	5,218	412	64,185
329	71	1,118	239	202	1,559
2,471	5,808	20,417	1,235	265	21,917
181,113	4,261	230,258	10,710	2,150	243,118
17,184	13,971	77,631	1,034	456	79,121
12,272	3,025	31,833	5,103	473	37,409
6,989	-	32,113	-	-	32,113
10,835	10	34,370	300	5	34,675
992,211	177,423	2,747,834	189,549	93,507	3,030,890
29,680	229	73,508	1,066	162	74,736
<u>\$ 1,021,891</u>	<u>\$ 177,652</u>	<u>\$ 2,821,342</u>	<u>\$ 190,615</u>	<u>\$ 93,669</u>	<u>\$ 3,105,626</u>

The accompanying notes are an integral part of these financial statements.

A NEW DAY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 –ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Day Youth and Family Services is a 501(c)3 nonprofit organization founded in 1976. New Day's mission is to authentically connect young people to safety, the community and themselves. Our vision is a world where all young people's unique identities and talents complete and strengthen the social fabric of our community. We believe all youth have strengths, deserve a chance at a positive future, and need supportive adult allies who believe in them. Our 10 core values are:

- *Engage in Curiosity* – Approach all situations with openness and flexibility to see beyond what we think we already know.
- *Give Grace* – Assume positive intentions in others, which creates space for deeper understanding.
- *Be Culturally Responsive* – Be willing to challenge and change your biases and relate to and learn from other people's experiences and cultural perspectives. This creates space for everyone to be safely seen and to heal, learn and grow.
- *Embrace Vulnerability* – Take the risk of being genuinely open and accessible and let yourself be seen in your own truth and available to hear the truth of others.
- *Be Assertive* – Speak directly and accurately when needed, regardless of the status or position of others, thus assuring accountability and the protection of core values.
- *Focus on Strengths* – Relentlessly focus on strengths and qualities of greatness and character which develops Inner Wealth™ and real opportunities for success.
- *Be Clear* – Provide accurate information, unambiguous statements, clear boundaries to build a kind environment where people can make safe, informed decisions that lead to greater success.
- *Build Connection & Relationship* – Support the development of authentic, positive relationships and connections, as it is vital to a sense of belonging and well-being and helps us all to grow and flourish.
- *Honor Uniqueness and Individuality* – Support and guide the process of realizing, developing and revealing the qualities of each other's unique character, thus, nurturing the full breadth of diversity and creative expression.
- *Live in Integrity* – Genuinely and consistently embody these values, in the spirit of compassionate accountability, which builds a sense of safety, trust and an environment for learning and growth.

Our continuum of programs work together and in tandem with community resources to serve youth and shift their sense of who they, help them develop a purpose and support them in reaching their dreams. Our continuum includes:

Housing Department: Safe Home- – A shelter that provides refuge for youth (ages 11-18) who have no safe place to live. During their stay, youth receive a thorough assessment, therapeutic and case management services, entry into the Life Skills Academy, and assistance in arranging safe and secure long-term housing. The Safe Home also provides outreach to young people who are experiencing homelessness, detention diversion for young people who have committed

A NEW DAY, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021 and 2020

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

minor offences and aftercare support to young people and their families. The Safe Home serves 150- 250 youth per year and serves young people from across the state of New Mexico. *Transitional Housing and Supports (THS)* – THS has four primary components: comprehensive housing support; specialized navigation between youth and adult systems; and therapeutic support. The focus of this division is to provide support to young people who are making the transition from adolescence to adulthood (16-24). This support includes subsidized housing, development of a Wraparound team, social engagement, and life skills instruction. The goal is to engage youth to be proactive in creating a meaningful and realistic life for themselves within the community. The Transitional Living Program (TLP) works with young people from around the state, all other services are for Bernalillo County residents only. The Transition Housing and Supports Unit serves 70-90 youth per year.

Community Connections- Life Skills Academy (LSA) – The LSA has five components: individual classes; courses; one-on- one coaching; employment and career readiness; and youth leadership development. The LSA works with varying age groups with a span from ages 11-24. The LSA provides practical life skills that increase young people’s functional intelligence, emotional intelligence and social capital. These classes include such topics as food and nutrition, job preparation, community involvement, financial literacy, relationships, communication, etc. When appropriate, courses are followed with opportunities for job mentorships, job placement, educational support and advocacy, etc. Young people who would like individualized support around developing life skills, receiving one-on-one coaching. The First Jobs Opportunity includes employment skills development, paid internship opportunities and career exploration. The Life Skills Academy serves 200-300 youth per year and primarily serves those who live in Bernalillo County. *Drop-in Center and Street Outreach-* provides a low-barrier opportunity for homeless and disconnected young people to have a safe place to rest, develop positive relationships, and begin to build a personal plan for their future. This work is done with the utilization of peer supports (young people who have had their own lived experience) and strong collaboration with our community partners. Street Outreach works in tandem with the Drop-in Center and does walking and pop-up outreaches to connect with young people who are currently on the streets. Young people are provided resources, hygiene products and an invitation to come to the Drop-In Center. Drop-in Center and Street outreach serve between 300-400 young people per year. The Drop-in Center and Street Outreach supports young people ages of 16-22 and who reside in Bernalillo County.

Youth and Family Supports: High Fidelity Wraparound- is a comprehensive care coordination model that works with young people who are between the ages of 16-25 and are systems involved to build a plan for them to reach their vision through intensive team collaboration and focusing on strengths and authentic youth centered-conversations. High Fidelity Wraparound supports 30-50 young people per year all in Bernalillo County. *Resource Families-* Provides recruitment, home studies, license-navigation, training and support to families who open their homes to young people who are in the custody of the State of New Mexico, with a focus on families that are

A NEW DAY, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021 and 2020

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

housing teenagers. This program does not provide any direct service to young people. It supports 30-50 resources families each year.

Clinical Services – Professional therapy services within New Day programs and Albuquerque and Rio Rancho schools. Clinical services include individual, family, group, and experiential counseling geared to empower youth and families to develop skills to better deal with life's emotional challenges. Our Clinical Services serve over 50-75 youth per year.

Basis of Presentation

The accompanying financial statements are presented in accordance with the Financial Accounting Standards Board Accounting Standards Codification (ASC) 958-205, Not-for-Profit Entities, Presenting Financial Statements. Under the financial reporting standards New Day is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Accordingly, net assets are classified and reported as follows:

A. Net assets without donor restrictions

Net assets that are not subject to donor-imposed stipulations. Net assets without restrictions may be designated for a specific purpose by action of the board of directors.

B. Net assets with donor restrictions

Net assets that are subject to donor-imposed stipulations that may or will be met by the occurrence of a specific event or the passage of time. 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. The balances of unconditional promises to give, if any, are shown as net assets with donor restrictions. As payments are made by the donor, they are released from restriction.

C. Property and equipment

It is New Day's policy to capitalize property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, New Day reports expirations of donor restrictions when the

A NEW DAY, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021 and 2020

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

donated or acquired assets are placed in service as instructed by the donor. New Day reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method at rates based on the following estimated useful lives:

	<u>Years</u>
Buildings	35-39
Improvements	15
Furniture and equipment	5-7
Vehicles	5
Software	3

D. Contributions

Contributions are recognized when the donor makes a promise to give to New Day that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

E. Use of estimates

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

F. Income taxes

New Day is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been included in the accompanying financial statements. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the fiscal years ending June 30, 2018, 2020 and 2021 are subject to examination by the Internal Revenue Service. ASC 740-10 requires an organization to measure, recognize, present and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. New Day does not believe it has any uncertain tax positions.

A NEW DAY, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021 and 2020

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
CONTINUED**

G. Functional allocation of expenses

The costs of providing services and various programs and supporting services have been allocated to functions in the statements of functional expenses based on relative costs in each program or project. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

H. Donated services

New Day recognizes any donated services that require specific expertise to perform the services that otherwise would have been paid for, if not donated. The value of such services is recorded at the fair value of the service.

I. Receivables

Receivables represent monies due from federal, state and local grant agencies, Medicaid and other private donors. Accounts receivable are stated at their realizable value. New Day records losses, if any, on accounts receivable using the direct write-off method.

J. Cash and Cash Equivalents

For the purposes of the statements of cash flows, New Day considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

K. Accrued Vacation

It is New Day's policy to permit employees to accumulate earned but unused vacation leave benefits. Vacation leave is earned and accrued based on length of service. A maximum of 216 hours may be accrued with a maximum carryover of 270 hours. Upon termination, New Day will compensate an employee for unused accrued vacation leave up to the maximum allowed carryover. Starting in the fiscal year ending June 30, 2013, New Day allows employees to buy back vacation at 80% of base salary. This buy back is offered twice a year, December and June. All accrued vacation is shown as current.

A NEW DAY, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021 and 2020

NOTE 2 – GRANTS RECEIVABLE

Grants receivable at June 30, consist of the following:

	<u>2021</u>	<u>2020</u>
City of Albuquerque	\$ 61,820	\$ 361
Bernalillo County	80,603	67,752
NM Children, Youth and Families Department	219,446	135,106
Health and Human Services	45,197	43,849
USDA	2,117	2,116
NM State University	17,710	16,924
Other	<u>10,256</u>	<u>11,277</u>
	<u>\$ 437,149</u>	<u>\$ 277,385</u>

NOTE 3 – OTHER ACCOUNTS RECEIVABLE

Other accounts receivable at June 30, consist of the following:

	<u>2021</u>	<u>2020</u>
Medicaid receivable	<u>\$ 12,463</u>	<u>\$ 15,482</u>
Total other accounts receivable	<u>\$ 12,463</u>	<u>\$ 15,482</u>

NOTE 4 – LAND, PROPERTY AND EQUIPMENT

Land, property and equipment at June 30, consists of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 419,311	\$ 305,000
Buildings	2,634,628	2,152,382
Improvements	230,124	115,103
Furniture and equipment	106,845	106,845
Vehicles	62,114	62,114
Software	<u>28,931</u>	<u>28,931</u>
Total land, property and equipment	3,481,953	2,770,375
Less accumulated depreciation	<u>(891,903)</u>	<u>(785,674)</u>
Net land, property and equipment	<u>\$ 2,590,050</u>	<u>\$ 1,984,701</u>

A NEW DAY, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021 and 2020

NOTE 4 – LAND, PROPERTY AND EQUIPMENT - CONTINUED

Depreciation expense for the years ending June 30, 2021 and 2020 was \$106,229 and \$74,736, respectively.

NOTE 5 – ACCRUED EXPENSES

Accrued expenses at June 30, consists of the following:

	2021	2020
Accrued compensated absences	\$ 84,945	\$ 63,023
Accrued payroll liabilities	110,313	101,576
Total accrued expenses	\$ 195,258	\$ 164,599

NOTE 6 – PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

On May 6, 2020, New Day received loan proceeds in the amount of \$381,805 under the Paycheck Protection Program (“PPP”). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (twenty-four weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for 6 months after the end of the covered period. New Day intends to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period.

The loan was forgiven in January 2021.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

In 2021, New Day received a capital grant from Bernalillo County for \$750,000 to purchase and remodel a drop-in center to help serve disconnected, homeless and marginalized young people ages 16-22. The County provided the funds as part of their program to expand the behavioral health continuum. New Day agreed to the following conditions in regards to the center. 1) New day will create and submit performance reports to enable the County to monitor and evaluate program services. 2) The County required a mortgage or security interest in the property as security for the performance of New day’s obligations under the agreement. The term of the agreement is 36 months, during which time the property is classified as a net asset with donor restrictions. As of June 30, 2021, \$571,557 was received from the County, all of which is restricted, less applicable depreciation.

A NEW DAY, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021 and 2020

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS - CONTINUED

New Day has 2.5 acres of land received from the U.S. Department of Health and Human Services (DHHS) in 1991. New Day agreed to six conditions in regards to the land. 1) The property will be used continuously for health purposes as set forth in its application; 2) for 30 years New Day will not resell, lease, mortgage, or dispose of the property; 3) the property had to be placed into use within 12 months from the deed date; 4) annually for 30 years, New Day will file reports on operations and maintenance of the property and data evidencing continuous use of the property for health purposes; 5) New Day will remain a 501(c)(3) organization; and 6) New Day will comply with the Fair Housing Act and other regulations noted in the deed. In a 2012 Memoranda of Agreement, DHHS agreed to a loan agreement between New Day and the City of Albuquerque (City) for the Transitional Living building. In the event of default, DHHS and the City have to work together to exercise their right of reverter or other rights and remedies. See Note 11 – Commitments and Contingencies.

In 2012 New Day entered into an agreement and executed a promissory note with the City of Albuquerque (City), which included federal Community Development Block Grant money, to build a transitional living facility comprised of 6 one-bedroom apartment-style living quarters to be used for a term of 30 years to provide housing to an estimated 8 youth, ages 17 to 21, that are homeless, and/or aging out of the foster care system and provide a Life Skills Academy to an estimated 50 youth and provide supportive services geared towards the development of independence. The maximum compensation of the agreement was \$1,625,274. The building was completed in January 2014 and was placed in service on or about June 30, 2014.

Net assets with donor restrictions at June 30, consists of the following:

	<u>2021</u>	<u>2020</u>
Building and land restricted by time and purpose-Ridgecrest SE	\$ 466,964	\$ 480,727
Building restricted by time and purpose	1,274,280	1,314,621
Building and land restricted by time and purpose-Truman NE	563,741	-
Promises to give	<u>70,000</u>	<u>70,000</u>
Total net assets with donor restrictions	<u><u>\$ 2,374,985</u></u>	<u><u>\$ 1,865,348</u></u>

A NEW DAY, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021 and 2020

NOTE 8 – OPERATING LEASES

New Day rents office space for their administrative offices under a lease that began March 1, 2018 and runs through May 31, 2023. Monthly payments were abated for the initial three months. From June 1, 2018 through May 31, 2019, required monthly payments were \$4,683 per month. From June 1, 2019 through May 31, 2020, required monthly payments were \$4,777. From June 1, 2020 through May 31, 2021, required monthly payments are \$4,873. From June 1, 2021 through May 31, 2022, required monthly payments are \$4,970. From June 1, 2022 through May 31, 2023, required monthly payments are \$5,069.

Starting June 15, 2018, New Day acquired additional office space under the following terms: Monthly payments were abated through August 31, 2018. From September 1, 2018 through May 31, 2019, required monthly payments were \$1,020 per month. From June 1, 2019 through May 31, 2020, required monthly payments were \$1,040. From June 1, 2020 through May 31, 2021, required monthly payments are \$1,061. From June 1, 2021 through May 31, 2022, required monthly payments are \$1,082. From June 1, 2022 through May 31, 2023, required monthly payments are \$1,104.

Starting February 1, 2020, a second lease amendment for additional office space was executed. The amendment requires monthly payments of \$965 through May 31, 2023.

New Day also leases office space for their clinical program with monthly payments of \$350. The lease expired on July 31, 2016 and is currently on a month-to-month basis.

Under the Transitional Living Program, New Day places some of their youth in apartments throughout the City of Albuquerque. These short-term leases are typically for no longer than one year.

As of June 30, 2021, minimum future lease payments for the next five years, under all non-cancelable operating leases are as follows:

Year ending June 30,	
2022	84,326
2023	<u>78,520</u>
	<u>\$ 162,846</u>

Rent and lease expense for the years ended June 30, 2021 and 2020 was \$405,290 and \$243,118, respectively.

A NEW DAY, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021 and 2020

NOTE 9 – PENSION PLAN

New Day has a 403(b) tax deferred annuity non-contributory plan created during the year ended June 30, 2000. All full-time employees are eligible to participate at date of hire.

NOTE 10 – IN-KIND REVENUES

New Day receives various contributed goods and services used by program, fundraising and management functions, in addition to interest expense. Total contributed goods and services recognized as revenue during fiscal year ending June 30, 2021 and 2020 was \$-0- and \$-0-, respectively. In-kind revenues, if any, are recorded as contributions.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Grants received from outside agencies expended by New Day are subject to fiscal and/or program compliance audits by the grantors, which may result in disallowed expenditures. At June 30, 2021 and 2020, there were no material claims pending for disallowed expenditures.

In 2012 New Day entered into an agreement and executed a promissory note with the City of Albuquerque (City). In consideration of the assistance given by the City for the benefit of New Day, the agreement grants a security interest in 1) land described in Note 4 – Land, Property and Equipment, 2) all buildings and improvements on the property, and 3) all personal property attached to the buildings, and other items listed in the promissory note and security agreement. The agreement also placed restrictive covenants on the use of the property. The covenants expire in October 2042. Payments are not required as long as New Day performs its obligations under the restrictive covenants. If New Day defaults on their obligations under this agreement, they may, at the discretion of the City, be required to pay all amounts secured by the agreement, including accrued interest at 8%.

Management of New Day believes they are performing their obligations in accordance with the agreement and restrictive covenants, and will continue to do so for the term of the agreement. The restrictive covenants placed on the property are closely aligned with the core mission of New Day. The building purchased under this agreement has been recorded as a net asset with donor restrictions and, accordingly, no liability has been accrued.

A NEW DAY, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021 and 2020

NOTE 12 – CONCENTRATIONS OF CREDIT RISK

New Day receives a substantial amount of support from the NM Children, Youth and Families Department. The percentage of this funding for years ending June 30, 2021 and 2020 was 31% and 35%, respectively. Accounts receivable from the NM Children, Youth and Families Department represented approximately 49% and 33% of total grants receivable at June 30, 2021 and 2020, respectively. Should these funding sources be discontinued, New Day’s ability to continue as a going concern could be impaired.

New Day maintains various demand and savings deposits in financial institutions which throughout the year have exceeded federal insured limits. Deposits in demand and savings accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution per account type for the year ending June 30, 2021 and 2020. Cash and cash equivalents at June 30, 2021 and 2020 in excess of federally insured limits were \$136,849 and \$168,204, respectively.

NOTE 13 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$622,304	\$952,800
Grants receivable	437,149	277,385
Other accounts receivable	12,463	15,482
Promises to give	70,000	70,000
	<u>\$1,141,916</u>	<u>\$1,315,667</u>

NOTE 14 – FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, insurance, and supplies which are allocated on a square footage basis, as well as salaries and wages, benefits, and payroll taxes, which are allocated on the basis of time and effort. Depreciation is allocated as follows: Furniture and equipment depreciation are allocated based on budgeted payroll. Building depreciation is allocated based on square footage. Vehicle depreciation and related costs are allocated uniformly between all vehicles owned.

A NEW DAY, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
June 30, 2021 and 2020

NOTE 15 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. New Day recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the balance sheet date, including estimates inherent in the process of preparing the financial statements. New Day's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the balance sheet date.

New Day has evaluated subsequent events through November 7, 2021, the date the financial statements were available to be issued. No additional items are required to be disclosed.

SUPPLEMENTARY INFORMATION

A NEW DAY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

<u>Federal Agency and Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor Number</u>	<u>Federal Expenditures</u>
Direct:			
U.S. Department of Health and Human Services			
Basic Center Grant	93.623*	90CY6775-03-00	\$ 140,518
Transitional Living for Homeless Youth	93.550	90CX7143-01-00	192,553
Transitional Living for Homeless Youth	93.550	90CX7038-05-00	158,667
Total Transitional Living			<u>351,220</u>
RHYA Street Outreach	93.557*		107,094
HTEP	93.254	5H79SM082000-02	302,553
Resource Families	93.558	90CY6775-03-00 C3	151,009
RHYA Covid TLP General	93.623*	90CY6775-03-00 C3	2,438
RHYA Covid SPEC	93.623*	90CY6775-03-00 C3	2,813
RHYA Covid Basic Housing	93.623*	90CY6775-03-00 C3	12,583
RHYA Covid Street Outreach	93.623*	90CY6775-03-00 C3	643
Total direct programs			<u>1,070,871</u>
Pass-through:			
U.S. Department of Housing and Urban Development			
Passed through the New Mexico			
Mortgage Finance Authority:			
MFA Capital Covid Fund	14.231	17-02-NDH-EHA-001	24,357
U.S. Department of Health and Human Services			
Passed through the New Mexico			
Children, Youth and Families Department			
Housing & Life Skills	93.674	17-690-13991-1	90,374
U.S. Department of Agriculture			
Passed through the New Mexico			
Children, Youth and Families Department			
Child and Adult Care Food Program	10.558	0566	<u>23,057</u>
Total pass-through programs			<u>137,788</u>
Total expenditures of federal awards			<u>\$ 1,208,659</u>

* - Denotes major program

A NEW DAY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

1. This Schedule of Expenditures of Federal Awards includes the federal grant activity for New Day, Inc. and is presented on the accrual basis of accounting. The information included in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
2. No non-cash federal assistance was received during the year ended June 30, 2021.
3. The Organization did not have any sub-recipients during the year ended June 30, 2021.

SUPPLEMENTAL INFORMATION



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

Board of Directors and Management
A New Day, Inc.
Albuquerque, New Mexico

I 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 A New Day, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated November 7, 2021.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered A New Day, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of A New Day, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the A New Day, Inc.'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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether A New Day, Inc.'s financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.

James L. Hartogensis, CPA LLC

Albuquerque, New Mexico
November 7, 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 and Management
A New Day, Inc.
Albuquerque, New Mexico

Report on Compliance for Each Major Federal Program

I have audited A New Day, Inc.'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 A New Day, Inc.'s major federal programs for the year ended June 30, 2021. A New Day, Inc.'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of A New Day, Inc.'s major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I 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 the A New Day Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of A New Day Inc.'s compliance.

Opinion on Each Major Federal Program

In my opinion, A New Day, Inc. 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 June 30, 2021.

Report on Internal Control Over Compliance

Management of A New Day, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered A New Day, Inc.'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, I do not express an opinion on the effectiveness of A New Day, Inc.'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.

My 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. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my 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.

James L. Hartogensis, CPA LLC

Albuquerque, New Mexico
November 7, 2021

A NEW DAY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

A. SUMMARY OF AUDITOR RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified not considered to be material weaknesses? No

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.623	Basic Center Grant
93.557	Street Outreach

The dollar threshold used for distinguishing Type A and Type B programs was \$750,000.

Auditee qualified as a low-risk auditee? X Yes No

A NEW DAY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

Current Year Findings

None.

Prior Year Findings

None.