



# HINKLE + LANDERS

Certified Public Accountants + Business Consultants

**COMMUNITY AGAINST VIOLENCE**

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

**For the Year Ended June 30, 2020,  
With Comparative Totals for 2019**

**Community Against Violence**  
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**Community Against Violence  
BOARD OF DIRECTORS  
As of June 30, 2020**

**Board of Directors**

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<b>Name</b>	<b>Title</b>
James Andrew Hatfield	Chair
Molly McMullin	Vice-Chair
Andrew Dennison	Secretary
Leticia Pacheco	Treasurer
Adriana Blake	Past-Chair
Liana Bayles	Director
Fracisco Espinoza	Director

**Principal Employees**

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<b>Name</b>	<b>Title</b>
Malinda Williams	Executive Director
Anita Medina	Finance Director

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Community Against Violence  
Taos, NM

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Community Against Violence (CAV), which comprise the statement of financial position as of June 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 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 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 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, 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 CAV as of June 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.

**Emphasis Of Matter**

As discussed in Note 14 to the financial statements, the 2019 net assets have been restated due to adjustments to grant receivables, deferred revenue and donor restricted revenue. Our opinion is not modified with respect to these matters.

**Report on Summarized Comparative Information**

The prior year summarized comparative information has been derived from the Organization's June 30, 2019 financial statements. Those financial statements were audited by other auditors, whose report dated November 9, 2019 and they expressed an unmodified opinion. The summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent with the audited financial statements from which it has been derived.

**Other Matters****Supplementary 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, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards was fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2020, on our consideration of CAV'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 CAV's internal control over financial reporting and compliance.



Hinkle + Landers, P.C.  
Albuquerque, NM  
October 19, 2020

**Community Against Violence**  
**STATEMENT OF FINANCIAL POSITION**  
**As of June 30, 2020, with Comparative Totals for 2019**

	Notes	2020	(Restated) 2019
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	\$ 553,075	440,345
Grants receivable		341,549	393,880
Other receivables		103	103
Inventory		73,075	57,126
Prepaid expenses		5,082	18,886
Investments (undesignated)	4	558,945	382,623
Investments (designated for future capital expenditures)	4	1,041,893	1,085,981
Total current assets		2,573,722	2,378,944
<b>Non-Current Assets</b>			
Property and equipment, net of depreciation	6	1,661,147	809,247
Beneficial interest in assets held by community foundation	12	21,563	5,061
Total non-current assets		1,682,710	814,308
Total Assets		\$ 4,256,432	3,193,252
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities</b>			
Accounts payable		\$ 5,082	5,288
Accrued payroll and related taxes and leave		62,047	117,698
Deferred revenue		-	3,954
Notes payable-current portion	7	12,403	-
PPP loan	7	48,400	-
Total current liabilities		127,932	126,940
Notes payable-non-current portion	7	624,532	-
Total Liabilities		752,464	126,940
<b>Net Assets</b>			
<b>Without donor restrictions</b>			
Undesignated		1,324,778	1,106,005
Investment in property and equipment		1,024,212	809,247
Designated for future capital expenditures		1,041,893	1,085,981
<b>With donor restrictions</b>			
Perpetual restrictions	12	10,085	-
Purpose/time restrictions	9	103,000	65,079
Total Net Assets		3,503,968	3,066,312
Total Liabilities and Net Assets		\$ 4,256,432	3,193,252

See Independent Auditor's Report  
The accompanying notes are an integral part of these financial statements

**Community Against Violence**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

	2020			(Restated) 2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Support and Revenue</b>				
Thrift store sales	\$ 403,696	-	403,696	433,550
Donations and fundraising activities	227,094	-	227,094	187,764
Federal grants	973,933	-	973,933	874,549
Other grants and contracts	1,701,852	53,000	1,754,852	1,526,048
Interest and investment income	43,019	10,676	53,695	73,211
Exchange of services for use of facility	143,616	-	143,616	143,616
In-kind contributions	12,141	-	12,141	19,452
Other revenue	950	-	950	8,671
Gain (loss) on disposal of assets	675	-	675	(1,349)
Change in year-end inventory	15,949	-	15,949	7,372
<b>Total support</b>	<u>3,119,229</u>	<u>63,676</u>	<u>3,182,905</u>	<u>2,839,334</u>
Net assets released from restrictions	15,670	(15,670)	-	-
<b>Total revenue and support</b>	<u>3,538,595</u>	<u>48,006</u>	<u>3,586,601</u>	<u>3,272,884</u>
<b>Expenses</b>				
Program services	2,532,298	-	2,532,298	2,352,661
General and administrative	528,226	-	528,226	500,870
Fundraising	88,421	-	88,421	114,181
<b>Total expenses</b>	<u>3,148,945</u>	<u>-</u>	<u>3,148,945</u>	<u>2,967,712</u>
<b>Change in net assets</b>	389,650	48,006	437,656	305,172
Net assets, beginning of year	3,001,233	65,079	3,066,312	2,761,140
Net assets, end of year	<u>\$ 3,390,883</u>	<u>113,085</u>	<u>3,503,968</u>	<u>3,066,312</u>

See Independent Auditor's Report  
The accompanying notes are an integral part of these financial statements



**Community Against Violence**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

	2020						2019 Total
	Program Services		Total	Supporting Activities		Total	
	General Program	Thrift Store	Program Services	General and Administrative	Fundraising		
Compensation and related expenses							
Salary and wages	\$ 1,113,903	196,885	1,310,788	353,625	61,310	1,725,723	1,609,701
Payroll taxes	84,917	15,200	100,117	28,594	4,910	133,621	123,236
Employee benefits	184,142	46,863	231,005	84,534	156	315,695	286,970
Total compensation and related expenses	1,382,962	258,948	1,641,910	466,753	66,376	2,175,039	2,019,907
Other expenses							
Client expense	220,013	-	220,013	-	-	220,013	133,457
Subcontractors	77,075	651	77,726	2,975	6,772	87,473	89,700
Insurance	40,246	9,711	49,957	26,143	-	76,100	62,587
Travel	45,926	193	46,119	134	-	46,253	83,078
Advertising	33,646	2,539	36,185	524	4,159	40,868	37,471
Utilities	20,776	16,638	37,414	2,605	-	40,019	36,360
Supplies	30,041	2,253	32,294	841	-	33,135	26,681
Interest expense	-	30,049	30,049	-	-	30,049	62
Repairs and maintenance	12,658	9,045	21,703	5,041	1,662	28,406	46,199
Equipment	23,397	489	23,886	3,862	-	27,748	38,721
Telephone	13,303	2,771	16,074	2,139	20	18,233	16,686
Shelter	20,541	-	20,541	-	-	20,541	41,159
Staff training	18,811	-	18,811	238	-	19,049	32,945
Dues and subscriptions	15,204	2	15,206	-	1,509	16,715	23,930
Gift certificates issued to clients	25,162	-	25,162	-	-	25,162	32,730
Property taxes	-	14,849	14,849	911	-	15,760	907
Professional services	-	3,850	3,850	10,713	-	14,563	11,327
Other	564	5,480	6,044	4,049	2,324	12,417	14,315
Fundraising	-	684	684	-	4,793	5,477	12,224
Postage	679	21	700	1,298	806	2,804	4,250
Rent	345	-	345	-	-	345	648
Total other expenses before depreciation	598,387	99,225	697,612	61,473	22,045	781,130	745,437
Depreciation	49,160	-	49,160	-	-	49,160	39,300
In-kind volunteers	-	-	-	-	-	-	19,452
Use of facility rent in exchange for services	143,616	-	143,616	-	-	143,616	143,616
Total in-kind expenses	143,616	-	143,616	-	-	143,616	163,068
Total expenses	\$ 2,174,125	358,173	2,532,298	528,226	88,421	3,148,945	2,967,712

See Independent Auditor's Report  
The accompanying notes are an integral part of these financial statements

**Community Against Violence**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

	2020	(Restated) 2019
<b>Cash Flow From Operating Activities</b>		
Cash received from:		
Donations and fundraising activities	\$ 223,140	187,764
Grants and contracts	2,781,116	2,261,062
Thrift store sales	378,534	400,820
Other revenue	951	8,671
Interest and investment income	13,265	6,962
Total cash received	3,397,006	2,865,279
Cash paid to:		
Vendors and suppliers	(2,943,011)	(2,602,240)
Interest	(30,049)	(62)
Cash used for operating activities	(2,973,060)	(2,602,302)
Net cash provided (used) by operating activities	423,946	262,977
<b>Cash Flows From Investing Activities</b>		
Purchases of investments and transfers	(105,328)	(163,138)
Proceeds from sale of investments	9,163	55,438
Purchase of property and equipment	(900,386)	(70,312)
Cash used for investing activities	(996,551)	(178,012)
<b>Cash Flows From Financing Activities</b>		
Proceeds from long-term debt	696,400	-
Payments of long-term debt	(11,065)	-
Cash provided by (used for) financing activities	685,335	-
Net change in Cash, restricted cash and cash equivalents	112,730	84,965
Cash and cash equivalents at beginning of year	440,345	355,380
Cash and cash equivalents at end of year	\$ 553,075	440,345
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Change in net assets	\$ 437,656	305,172
Loss on disposition of fixed assets	(674)	1,349
Adjustment of capitalized donated architecture services	(12,141)	-
Adjustment of donated inventory	(15,949)	(7,372)
Depreciation	49,160	39,300
Unrealized gains and losses	(40,430)	66,249
<b>(Increases) decreases in operating assets:</b>		
(Increase) decrease in receivables	52,331	(139,535)
(Increase) decrease in prepaid expense	13,804	(11,160)
<b>Increase (decrease) in operating liabilities:</b>		
Increase (decrease) in accounts payable	(206)	(2,559)
Increase (decrease) in deferred revenue	(3,954)	(10,624)
Increase (decrease) in accrued expenses	(55,651)	22,157
Cash provided by operating activities	\$ 423,946	262,977
<b>Supplementary Information</b>		
Gift certificates issued to clients	\$ 25,162	32,730
In-kind rent and volunteers	143,616	163,068
	\$ 168,778	195,798

See Independent Auditor's Report  
The accompanying notes are an integral part of these financial statements

**Community Against Violence**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

**NOTE 1—ORGANIZATION**

Community Against Violence, Inc. (CAV) is a not-for-profit organization incorporated in New Mexico in September 1980. CAV provides refuge and support services for victims and their children who are in a state of crisis as a result of sexual, domestic, physical or emotional abuse; develops and maintains other services to meet related needs of victims; and prevents sexual and domestic violence. CAV is located in Taos, New Mexico.

The financial statements and notes are the representations of CAV's management who is responsible for their integrity and objectivity. This summary of significant accounting policies of CAV is presented to assist in the understanding of CAV's financial statements.

CAV Thrift Store— The Community Against Violence thrift store provides survivors of domestic and sexual violence and child abuse with gift certificates and needed items without charge.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements of CAV have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to non-for-profit organizations.

**Financial Statement Presentation**

CAV's 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 ASC 958-205, CAV 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.

These classes are described below:

**Net Assets without Donor Restrictions and Board Designated Net Assets**

Undesignated net assets without donor restrictions are used to account for all resources over which the Board of Directors has discretionary control. The net assets without donor restrictions represent the investment in unrestricted assets and the investment in property and equipment, less accumulated depreciation and related debt.

**Net Assets with Donor Restrictions in Purpose/Time**

Net assets with donor restrictions in purpose/time result from contributions and other inflows of assets whose use by CAV is limited by donor and grantor-imposed stipulations that expire by passage of time or can be fulfilled and removed by actions of CAV pursuant to those stipulations. See Note 9—Net Assets with Donor Restrictions.

**Community Against Violence**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

Net Assets with Donor Restrictions Perpetual in Nature

Net assets with donor restrictions perpetual in nature are those for which use by CAV is limited by donor-imposed stipulations that cannot be removed by actions of CAV. See Note 10—Beneficial interest in net assets held by a third party.

**Cash, Restricted Cash, And Cash Equivalents**

CAV considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash, restricted cash and cash equivalents includes interest-bearing instruments with maturities at the date of purchase of three months or less. Cash held for investment purposes is included in investments. CAV maintains deposits in financial institutions 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.

**Concentrations of Credit, Market and Business Risk**

Geographical Concentration

CAV's operations are limited to Taos County, New Mexico, except for the Children's Advocacy Center program, which covers 7 counties in north central New Mexico.

Grants Receivable And Revenue Concentration.

Nearly all of CAV's revenues are from grants and contracts. CAV depends on these funding sources continuing to provide resources in future years.

Concentration Of Custodial Credit Risk—Uninsured Cash Balances

Custodial credit risk is the risk that in the event of a bank failure, CAV's deposits may not be returned to it. CAV does not have a custodial credit risk policy requiring collateral on all deposits exceeding Federal Deposit Insurance Corporation (FDIC) limits. Bank deposits are insured by the FDIC up to \$250,000 per depositor per institution for interest and noninterest-bearing accounts. CAV maintains cash funds in approximately five separate financial institutions located in Taos, New Mexico. As of June 30, 2019, the CAV bank balances were not insured by FDIC by \$330,158. This does not include funds held in money markets or other financial instruments.

Cash and securities held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of a broker-dealer failure, up to \$500,000 on each account with a limit of \$250,000 of claims on uninvested cash balances, however SIPC does not protect the value of the balances.

**Investments**

Investments include certificates of deposits and money market accounts, which are recorded at cost. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value on the balance sheet. Investment

**Community Against Violence**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

income or loss (including realized and unrealized gains and losses on investments, interest and dividends), is included in revenue without donor restrictions and other support.

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 on a specific identification method upon the sale of investment assets. Quoted market prices, when available, are used to value investments. Purchases and sales of securities are recorded on a trade-date basis. Changes in fair value that occur during the fiscal year are recognized as investment income reported for that fiscal year. 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 are classified based on their original maturities.

Investments with original maturities of less than 12 months are classified as short-term investments even if the purpose of the investments are for long-term reserve or other purposes. 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 financial statements.

**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 is the carrying value due to the adjustable market rate of interest. Impairment reserves are provided as necessary.

**Grants Receivable**

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. Management considers grants receivable to be fully collectible. Accordingly, no allowance has been provided for uncollectible accounts.

**Property, Equipment and Depreciation**

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. CAV capitalizes all

**Community Against Violence**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

expenditures for property and equipment with a cost of \$3,000 or more. Items with a cost of less than \$3,000 are expensed in the year of acquisition. Repairs and maintenance expenses are charged to operations when incurred and major betterments and replacements are capitalized.

The major classifications of property and equipment and the related depreciable lives are as follows:

<u>Classification</u>	<u>Depreciable Lives</u>
Office equipment	3 - 5 years
Program equipment	5 years
Shelter furnishings	5 years
Building	30 years
Annex building lease improvements	5 years

**Inventory**

CAV receives contributions of goods and materials (inventory) and processes these contributions as merchandise available for sale in its retail thrift store.

Contributions are measured at their fair value. In addition, CAV purchases a small amount of items for resale that are carried at the lower of cost or net realizable value.

Management of CAV believes that the inventory of contributed goods and materials does not possess an attribute that is easily measurable or verifiable with sufficient reliability to determine an inventory value at the time of donation. Accordingly, contributed goods and materials are valued at zero prior to being offered for sale and year end valuation of inventory is based on the organization’s gross sales and the estimated turnover of inventory. The difference between beginning-of-the-year and end-of-year inventory valuation is shown on the statement of activities as “Change in year-end inventory”.

**Donated Services**

Generally accepted accounting principles require that the fair value of professional service hours (attorney, accountants, etc.) be recorded in the financial statements, but not volunteer hours. Volunteers and board members have donated significant amounts of time to CAV’s programs. The value of these services is not recorded in the accompanying financial statements.

**Revenue Recognition**

In accordance with accounting principles generally accepted in the United States of America, revenue is recorded when earned rather than received. The following summarizes the revenue recognition policies for major classifications of significant revenues:

- **Contributions**—Contributions are reported when an unconditional promise to give or other asset is received (in accordance with ASC 958-605). All contributions are

**Community Against Violence**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

considered available for the Organization's general programs unless specifically restricted by the donor.

- Contributions of donated non-cash assets and are recorded at their fair values in the period received. Contributions of donated professional services that create or enhance non-financial assets or that require specialized skills, are recorded at their fair values in the period received. 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 restricted support. 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. Contributed long-lived assets are recorded at their fair market value on the date of receipt.
- Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.
- **Grant Revenue**—Grant revenue is recognized according to the nature of the grant:
  - Grants based on direct reimbursement for eligible expenditures incurred under the grant scope of work—revenue is recognized when the eligible expense is incurred.
  - Grants in which funds are disbursed to CAV prior to service being rendered. Revenue is recognized when the funds are received. Unexpended funds at year-end are classified as either deferred revenue or net assets with donor restrictions in purpose/time.
  - *Grants which are fee-for-services* – revenue is recognized when eligible services are provided.
- **Private Grants**—Private grants contributions 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 the CAV.
- **Contract Revenue**—Revenue is recorded at the time the services are provided. Specifically, when CAV has incurred the expenses in compliance with the general and specific requirements of the funding source, both the receivable from the government agency and offsetting contract revenue are recorded.

**Community Against Violence**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

**Income Taxes**

CAV is a non-profit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. CAV currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

In addition, CAV has been classified as other than a private foundation. CAV evaluates uncertain tax positions in accordance with ASC 450, *Accounting for Contingencies*, whereby the effect of the uncertainties in tax positions would be recorded if the outcome was considered probable and reasonably estimable. As of June 30, 2020, CAV had no uncertain tax positions.

CAV files its 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. Management believes that they are operating within their tax-exempt purpose.

**Advertising costs**

Advertising costs are expensed as incurred. For the years ended June 30, 2020 and 2019, advertising expenses incurred totaled \$40,868 and \$37,471 respectively.

**Functional Classifications of Expenses**

The costs of providing the various programs and other activities of CAV have been summarized on a functional basis in the consolidated 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 depreciation expenses are allocated among the programs and supporting services benefited. Other operating costs are allocated using various allocation methodologies including allocations based on personnel, square footage, or revenue generated.

**Thrift Store Direct Costs**

Thrift store direct costs include salaries, taxes and benefits, occupancy costs and depreciation, and all other expenses necessary to operate the store.

**Use of Estimates in Preparing Financial Statements**

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual events and results could differ from those assumptions and estimates.



**Community Against Violence**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

**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.

**Risk Management**

CAV is exposed to various risks of loss from torts; theft of damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. CAV has obtained commercial insurance coverage to protect itself against such losses.

**Prior Year Comparative Totals**

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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CAV's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

**Reclassifications**

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

**Grant Contingencies**

CAV receives direct federal grants as well as federal grants passed through state agencies for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement by the grantor agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of CAV's management, such disallowances, if any, will not be significant.

**Legal Matters**

CAV, in the normal course of business, is subject to claims and litigation. Management believes that there are no outstanding claims or assessments which would be subject to a material unfavorable outcome that would not be covered by insurance.

**Impairment of Long-lived Assets**

Thy CAV 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

**Community Against Violence**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell. Management does not believe impairment indicators are present as of June 30, 2020.

**Evaluation of Subsequent Events**

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. CAV 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. CAV'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. CAV has evaluated subsequent events through October 19, 2020, which is the date the financial statements were available to be issued.

Subsequent to June 30, 2020, as a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact the organization's funding sources and cash flows. Other financial impacts could occur though such potential impact is unknown at this time.

**NOTE 3—CASH, RESTRICTED AND CASH EQUIVALENTS**

A summary of cash, restricted and cash equivalents at June 30 are as follows:

	<u>2020</u>	<u>2019</u>
Hillcrest Bank	\$ 550,772	438,499
Nusenda Credit Union	1,453	996
Petty Cash	<u>850</u>	<u>850</u>
	<u>\$ 553,075</u>	<u>440,345</u>

Restricted cash is as follows

Restricted cash	\$ <u>73,000</u>	<u>50,800</u>
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These funds are donor restricted program funds identified in Note 9.

**Community Against Violence**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

**NOTE 4—INVESTMENTS**

A summary of investments at June 30 are as follows:

	2020			2019		
	Cost	Fair Value Adjusment	Fair Value	Cost	Fair Value Adjusment	Fair Value
FDIC insured cash equivalents	\$ 118,703	-	118,703	105,653	-	105,653
Cash and cash equivalents	1,113,315	-	1,113,315	903,506	-	903,506
Fixed income funds	12,060	990	13,050	11,834	820	12,654
Stock and ETFs	316,330	39,440	355,770	316,330	188,072	446,791
Total investments	\$ 1,560,408	40,430	1,600,838	1,337,323	188,892	1,468,604

**NOTE 5—LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

CAV regularly monitors liquidity to meet its cash flow requirements and operating needs. The availability of financial assets is primarily affected by management designations, the nature of the underlying assets, external limitations imposed by donors or contracts with others. CAV is not substantially supported by restricted grants. Part of CAV's liquidity management is its policy to structure is financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Liquidity is as follows:

Description	2020	2019
Cash and cash equivalents	\$ 553,075	440,345
Grants receivable	341,549	393,880
Other receivables	103	103
Investments (undesignated)	558,945	382,623
Less those unavailable for general expenditures with in one year, due to		
Restricted by donor with purpose restrictions	(103,000)	(75,864)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,350,672	1,141,087

**Community Against Violence**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

**NOTE 6—PROPERTY, EQUIPMENT AND DEPRECIATION**

Property and equipment consisted of the following at June 30:

	<u>2019</u>	<u>Additions</u>	<u>Adjustments</u>	<u>2020</u>
Land	\$ 432,627	162,000	-	594,627
Construction in progress	-	701,463	-	701,463
	<u>432,627</u>	<u>863,463</u>	<u>-</u>	<u>1,296,090</u>
Building and improvements	429,667	-	-	429,667
Office equipment	53,306	18,333	-	71,639
Annex building lease improvements	55,352	-	-	55,352
Vehicles	53,469	-	-	53,469
Shelter furnishings	41,604	-	-	41,604
Program equipment	16,853	18,590	-	35,443
Total	<u>650,251</u>	<u>36,923</u>	<u>-</u>	<u>687,174</u>
Less Accumulated Depreciation	<u>(273,631)</u>	<u>(49,160)</u>	<u>674</u>	<u>(322,117)</u>
Property and equipment, net of depreciation \$	<u><u>809,247</u></u>	<u><u>851,226</u></u>	<u><u>674</u></u>	<u><u>1,661,147</u></u>

Depreciation expense for the years ended June 30, 2020 and 2019 was \$49,160 and \$39,300, respectively.

The construction in progress noted above is related to the completion of a new thrift store, which will be ready to be occupied sometime before the year ended 2020.

**NOTE 7—NOTES PAYABLE**

Notes payable are as follows:

<u>Notes Payable</u>	<u>2020</u>	<u>2019</u>
Note payable to Centinel Bank of Taos, in the original amount of \$648,000 on August 29, 2019. The interest rate is 5.75% and the loan matures on September 1, 2029, secured by first mortgage on land and building. There will be 119 monthly payments of \$4,111.43 and a balloon payment of \$496,598.40 due on October 1, 2029. Prepayment penalties exist for early payments.	636,935	-
Note payable to Centinel Bank of Taos, in the original amount of \$48,400 on April 16, 2020. The interest rate is 1.00% per annum and the loan matures on April 15, 2022. The loan proceeds may only be used for expenses such as payroll, health care, mortgage interest, rent and for utilities. CAV expects to meet the purpose of the loan and therefore the loan will be forgiven.	48,400	-
Total debt	<u>685,335</u>	<u>-</u>
Less current portion	<u>(60,803)</u>	<u>-</u>
Total notes payable long-term portion	<u><u>\$ 624,532</u></u>	<u><u>-</u></u>

**Community Against Violence**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

**NOTE 8—RETIREMENT PLAN**

CAV provides a retirement plan for its employees under Internal Revenue Code Section 403(b). Under the plan, CAV matches employee contributions up to \$300 per month for contributing employees. Retirement plan contribution expense for the years ended June 30, are as follows

<u>403(b) Match</u>	<u>2020</u>	<u>2019</u>
Contributions \$	<u>51,485</u>	<u>40,527</u>

**NOTE 9—NET ASSETS WITH DONOR RESTRICTIONS**

Various contributions have been restricted by donors. Net assets with donor restrictions related to assets restricted from program use are as follows:

<u>Grantor</u>	<u>2019</u>	<u>Restricted Donations</u>	<u>Restrictions Released</u>	<u>2020</u>	<u>Time/Purpose</u>
Anderson Foundation	\$ -	10,000	-	10,000	Survivors of domestic violence
Walbridge Foundation	12,532	15,000	(12,532)	15,000	Time restricted
Community Health Funders Alliance	-	15,000	-	15,000	Time restricted
Robert T. Keeler	50,000	-	-	50,000	Survivors of domestic violence
LANL Foundation	-	5,000	-	5,000	Outreach
Taos Lions Club	800	500	(800)	500	Children's support
Enterprise	1,747	-	(1,747)	-	Time restricted
Taos Community Foundation	-	2,500	-	2,500	COVID response funds
Taos Community Foundation	-	5,000	-	5,000	Women and children support
Total donor restricted \$	<u>65,079</u>	<u>53,000</u>	<u>(15,079)</u>	<u>103,000</u>	

**NOTE 10—USE OF FACILITY AND IN-KIND DONATIONS**

CAV had the following exchange of services for use of facility and in-kind donation revenues at June 30:

<u>Type</u>	<u>2020</u>	<u>2019</u>
Exchange of services for use of facility \$	<u>143,616</u>	<u>143,616</u>

Use of Facility: CAV provides crucial services to the Town of Taos and surrounding communing and in exchange for those services, the Town of Taos has provided the use of a facility for CAV's administration and program activities. The use of the building is calculated based on market rental values of similar buildings in the Taos, New Mexico area.

<u>Type</u>	<u>2020</u>	<u>2019</u>
In-kind volunteers	\$ -	19,452
In-kind construction services	<u>12,141</u>	-
	<u>\$ 12,141</u>	<u>19,452</u>

In-kind construction services were related to architectural services that were discounted as identified on the invoices related to the building of the new thrift store.

**Community Against Violence**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

**NOTE 11—FAIR VALUE OF ASSETS AND LIABILITIES**

Fair Value Measurements

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 on a specific identification method upon the sale of investment assets. Realized and unrealized gains and losses on investments are included in the accompanying statements of activities. Investment income and gains (losses) restricted by donors are reported as increases (decreases) in unrestricted net assets unless donor-imposed restrictions have not been met in the reporting period in which the income and gains are recognized.

The fair value of investments is subject to ongoing fluctuations. The amount ultimately realized upon disposition may differ from the amounts reported in these financial statements. Fair value estimates for securities are currently volatile, difficult to predict, and subject to material changes that could affect CAV's financial condition and results of operations in the future.

Summary of Fair Value Exposure

U.S. generally accepted accounting principles, as they relate to fair value measurement, 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under Fair Value Measurement are described as follows:

Level 1

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

Level 2

- 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 assets or liabilities;
- 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 of the asset or liability.

**Community Against Violence**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

Level 3

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs and minimize the use of unobservable inputs.

The following table presents the fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments - June 30, 2020	\$ 1,600,838	21,563	-
Investments - June 30, 2019	\$ <u>1,468,604</u>	<u>5,061</u>	<u>-</u>

- Marketable securities are valued at quoted prices on active markets
- Money market funds are valued at quoted prices on active markets
- Mutual funds are valued at quoted prices on active markets
- Beneficial interest in asset held by third party are based on inputs derived principally from or corroborated by observable market data by correlation or other means.

**NOTE 12—BENEFICIAL INTEREST IN ASSETS HELD BY THIRD PARTY**

CAV has two beneficial interest in asset accounts as follows:

1. The Taos Community Foundation (TCF) holds money for the benefit of the CAV in a board designated “quasi-endowment” fund. These funds are accessible by CAV.
2. The Santa Fe Community Foundation (SFCF) holds money for the benefit of the CAV in a perpetually restricted endowment fund. These funds are not accessible by CAV, but the CAV is the beneficiary of any distributions determined by SFCF based on the income of the fund. CAV has granted variance power to SFCF. When a nonprofit organization transfers assets to a community foundation in which the resource provider names itself as the beneficiary, the economic benefit of the transferred assets remains with the resource provider. If the assets are transferred permanently, the assets received in exchange are a beneficial interest in assets held by a third party, measured by the fair value of the assets contributed. Changes in the value are recognized in the statement of activities as “Changes in Beneficial Interest in Assets Held by Third Party.”

**Community Against Violence**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2020, with Comparative Totals for 2019**

Changes in the value are recognized in the statement of activities as “Changes in Beneficial Interest in Assets Held by Third Party.” Changes in beneficial interest in assets held by third party are as follows:

	2020			2019
	SFCF	TCF	Total	TCF
Beginning balance	\$ -	5,061	5,061	-
Additions				
Contributions	10,120	4,798	14,918	5,000
Net earnings	556	1,801	2,357	151
Transfer from investment	(122)	-	(122)	-
Total additions	<u>10,554</u>	<u>6,599</u>	<u>17,153</u>	<u>5,151</u>
Withdrawals				
Distributions	(370)	-	(370)	
Fee	(74)	(182)	(256)	(90)
Grants distributed	(25)	-	(25)	
Total withdrawals	<u>(469)</u>	<u>(182)</u>	<u>(651)</u>	<u>(90)</u>
Ending balance	<u>\$ 10,085</u>	<u>11,478</u>	<u>21,563</u>	<u>5,061</u>

**NOTE 13—RELATED PARTY**

The Treasurer of the organization is a lending officer at Centinel bank where CAV does its banking and has loans outstanding.

**NOTE 14—RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS**

The prior year financial statements were restated as follows:

Description	Amount
Grant receivables and donor restricted revenue added in 2019	\$ 50,000
Reclassified deferred revenue to donor restricted revenue in 2019	<u>15,079</u>
Total amount of restatement	<u>\$ 65,079</u>



**Community Against Violence**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2020**

Federal Agency and Program Title	Federal Catalog Domestic Assistance Number	Pass-through Grantor Number/ or Other Identifying Number	Federal Expenditures
<u>Direct Programs</u>			
U.S. Department of Housing and Urban Development Continuum of Care Homeless Assistance	14.267	NM0038L6B011808	139,702
U.S. Department of Justice Office on Violence Against Women Transitional Housing Assistance for Victims of Domestic Violence, Stalking, or Sexual Assault	16.736	2017-WH-AX-0065	134,983
Total direct programs			<u>274,685</u>
<u>Pass-through Agencies</u>			
U.S. Department of Housing and Urban Development <u>Passed through the New Mexico Mortgage Finance Authority</u> Emergency Homeless Assistance Program	14.231	19-02-CAV-EHA-001	39,858
U.S. Department of Health and Human Services <u>Passed through the New Mexico Children, Youth and Families Department</u> Family Violence Prevention and Services	93.671	G-1801NMFVPS G-1901NMFVPS G-2001NMFVPS	61,404
U.S. Department of Agriculture <u>Passed through the New Mexico Children, Youth and Families Department</u> Child and Adult Care Food Program	10.558	0658	11,184
U.S. Department of Justice <u>Passed through the New Mexico Children's Alliance</u> Quality Improvement and Accreditation	16.834	5-TAOS-NM-SA19	7,266
<u>Passed through the New Mexico Crime Victim's Reparation Commission</u> Sexual Assault Services Program	16.017	2018-KF-AX-0036	36,573
VOCA Victim Assistance	* 16.575	2019-VA-787	373,307
	* 16.575	2017-VA-GX-0076	134,010
	* 16.575	Other	4,159
STOP Violence Against Women	16.826	2018-WF-AX-0051	31,487
Total pass-through programs			<u>699,248</u>
Total expenditures of federal awards			<u>\$ 973,933</u>
<u>Reconciliation to Financial Statements</u>			
Federal revenue per statement of activities			\$ 973,933
Per SEFA			<u>973,933</u>
Difference - prior year unallocated funds (restricted in purpose/time)			<u>\$ -</u>

See Independent Auditor's Report

**Community Against Violence**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2020**

**NOTE 1—BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards includes the federal grant activity for Community Against Violence 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—DE-MINIMIS INDIRECT COST RATE**

The organization did not use the 10 percent de minimis indirect cost rate.

**NOTE 3—NON-CASH FEDERAL ASSISTANCE**

No non-cash federal assistance was received during the year ended June 30, 2020.

**NOTE 4—SUB-RECIPIENTS**

CAV did not have any sub-recipients for the year ended June 30, 2020.

See Independent Auditor's Report



**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  
Community Against Violence  
Albuquerque, NM

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Against Violence (CAV), which comprise the statement of financial position as of June 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 October 19, 2020.

**Internal Control Over Financial Reporting**

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

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

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

**October 19, 2020**

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether CAV’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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  
October 19, 2020



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

Board of Directors  
Community Against Violence  
Albuquerque, NM

**Report on Compliance for Each Major Federal Program**

We have audited Community Against Violence’s (CAV’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 Community Against Violence’s major federal programs for the year ended June 30, 2020. Community Against Violence’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 Community Against Violence’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 Community Against Violence’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**October 19, 2020**

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 CAV's compliance.

**Opinion on Each Major Federal Program**

In our opinion, CAV 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, 2020.

**Report on Internal Control Over Compliance**

Management of Community Against Violence 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 Community Against Violence'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 Community Against Violence'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.

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

**October 19, 2020**

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  
October 19, 2020

**Community Against Violence**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2020**

**SECTION I—SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

1. Type of auditor’s report issued **Unmodified**

Internal control over financial reporting:

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

**Federal Awards**

Internal control over major programs:

- 1. Material weakness(es) identified None
- 2. Significant deficiency (ies) identified None

Type of auditor’s report issued on compliance for major program **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR section 200.516(a)? None

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.575	Violence Against Women Act—Crime Victim Assistance

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

Auditee qualified as low-risk Auditee No



**Community Against Violence**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2020**

**SECTION II AND III—SUMMARY OF FINDINGS**

**FINANCIAL AND FEDERAL FINDINGS**

<u>Finding</u>	Status of Current and Prior Year Findings	Type of Finding
<b>PRIOR YEAR</b>		
<i>None</i>	N/A	N/A
<b>CURRENT YEAR</b>		
<i>None</i>	N/A	N/A

\* Legend for Type of Findings

- A. Material Weakness in Internal Control Over Financial Reporting
- B. Significant Deficiency in Internal Control Over Financial Reporting
- C. Other Matters Involving Internal Control Over Financial Reporting
- D. Material Weakness in Internal Control Over Compliance of Federal Awards
- E. Significant Deficiency in Internal Control Over Compliance of Federal Awards
- F. Instance of Noncompliance related to Federal Awards