

**COMMUNITY AGAINST VIOLENCE, INC.**

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

**JUNE 30, 2018**



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COMMUNITY AGAINST VIOLENCE, INC.

**BOARD OF DIRECTORS AND PRINCIPAL EMPLOYEES**

June 30, 2018

**Board of Directors**

James Andrew Hatfield	Chair
Molly McMullin	Vice-Chair
Andrew Dennison	Secretary
Leticia Pacheco	Treasurer
Adriana Blake	Past-Chair
Liana Bayles	Director
Francisco Espinoza	Director

**Principal Employees**

Malinda Williams	Executive Director
Anita Medina	Chief Finance Officer



## INDEPENDENT AUDITOR'S REPORT

Board of Directors and Management  
Community Against Violence, Inc.  
Taos, New Mexico

I have audited the accompanying financial statements of Community Against Violence, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2018, 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***

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that 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 Community Against Violence, Inc. as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated October 31, 2018, on my consideration of Community Against Violence, 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 Community Against Violence, Inc.'s internal control over financial reporting and compliance.

*James L. Hartogensis, CPA LLC*

Albuquerque, New Mexico  
October 31, 2018

**COMMUNITY AGAINST VIOLENCE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2018**

**ASSETS**

Current Assets

Cash and cash equivalents	\$ 355,380
Grants receivable	252,989
Other receivables	1,458
Inventory	49,754
Prepaid expenses	7,726
Investments (undesignated)	865,359
Investments (designated for future capital expenditures)	566,856
<b>Total current assets</b>	<b><u>2,099,522</u></b>

Noncurrent Assets

Non-depreciable Assets	
Land	432,627
Furniture and Equipment	
Office equipment	57,097
Program equipment	41,148
Shelter furnishings	13,786
Building	429,667
Annex building lease improvements	55,352
	<u>1,029,677</u>
Accumulated depreciation	<u>(250,093)</u>
<b>Total noncurrent assets</b>	<b><u>779,584</u></b>

**Total assets** **\$ 2,879,106**

**LIABILITIES AND NET ASSETS**

Current Liabilities

Accounts payable	\$ 7,847
Accrued payroll and related taxes and leave	95,541
Deferred revenue	14,578
<b>Total liabilities</b>	<b><u>117,966</u></b>

Net Assets

Unrestricted	
Undesignated	2,194,284
Designated for future capital expenditures	566,856
Temporarily restricted	-
<b>Total net assets</b>	<b><u>2,761,140</u></b>

**Total liabilities and net assets** **\$ 2,879,106**

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

**COMMUNITY AGAINST VIOLENCE, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2018**

Unrestricted Net Assets

Unrestricted Revenue and Other Support

Donations and fundraising activities	\$ 251,950
Grants and contracts	1,982,549
Interest, dividends and investment income	34,285
In-kind contributions	126,554
Other revenue	501
Loss on disposal of assets	(3,688)
Thrift store sales, net of direct costs of \$250,345	177,287
Change in year-end inventory	9,382
<b>Total unrestricted revenue and other support</b>	<b>2,578,820</b>
Net assets released from restrictions	-
<b>Total unrestricted revenue and other support after net assets released from restrictions</b>	<b>2,578,820</b>

Expenses

Program expenses	1,745,391
General and administrative expenses	354,993
Fundraising expenses	116,099
<b>Total expenses</b>	<b>2,216,483</b>
<b>Increase in unrestricted net assets</b>	<b>362,337</b>

Temporarily Restricted Net Assets

Grant revenue	-
Net assets released from restrictions	-
<b>Decrease in temporarily restricted net assets</b>	<b>-</b>

<b>Increase in net assets</b>	<b>362,337</b>
Net assets, beginning of the year	2,398,803
<b>Net assets, end of the year</b>	<b>\$ 2,761,140</b>

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

**COMMUNITY AGAINST VIOLENCE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2018**

	Program Services	General and Administrative	Fundraising	Total Expenses
Compensation and related expenses				
Compensation	\$ 910,979	\$ 201,579	\$ 67,878	\$ 1,180,436
Payroll taxes	70,985	16,405	5,324	92,714
Employee benefits	158,390	44,103	9,639	212,132
<b>Total compensation and related expenses</b>	<b>1,140,354</b>	<b>262,087</b>	<b>82,841</b>	<b>1,485,282</b>
Other expenses				
Advertising	28,730	883	5,755	35,368
Auditing services	-	13,438	-	13,438
Bank charges	-	-	2,856	2,856
Client expense	106,357	-	-	106,357
Depreciation	15,962	1,547	-	17,509
Dues and subscriptions	6,961	127	-	7,088
Fundraising	-	-	14,137	14,137
Furniture - small	19,132	3,588	-	22,720
Gift certificates	27,306	-	-	27,306
Insurance	19,628	26,695	1,432	47,755
Interest	-	-	49	49
Maintenance	25,963	6,201	248	32,412
Postage	1,315	1,315	876	3,506
Property taxes	-	881	-	881
Rent	-	-	-	-
Rent, in-kind	103,401	11,489	-	114,890
Shelter	37,963	-	-	37,963
Staff training	25,975	256	-	26,231
Subcontractors	100,809	9,549	6,505	116,863
Supplies	18,627	5,353	20	24,000
Telephone	12,748	1,670	668	15,086
Travel	32,955	787	-	33,742
Utilities	19,299	2,743	-	22,042
In-kind expenses	1,906	6,384	712	9,002
<b>Total other expenses</b>	<b>605,037</b>	<b>92,906</b>	<b>33,258</b>	<b>731,201</b>
<b>Total expenses</b>	<b>\$ 1,745,391</b>	<b>\$ 354,993</b>	<b>\$ 116,099</b>	<b>\$ 2,216,483</b>

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



**COMMUNITY AGAINST VIOLENCE, INC.**  
**STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2018**

Cash Flows From Operating Activities	
Change in net assets	\$ 362,337
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	31,243
Loss on asset disposal	3,687
Realized and unrealized (gain) loss on investments	(29,292)
Changes in assets and liabilities:	
Grants receivable	31,452
Other receivables	(1,348)
Inventory	(9,382)
Prepaid expenses	10,368
Accounts payable	6,543
Accrued payroll and related taxes and leave	10,303
Deferred revenue	5,920
<b>Net cash provided by operating activities</b>	<b>421,831</b>
Cash Flows From Investing Activities	
Purchases of investments and transfers	(381,272)
Proceeds from sale of investments	50,647
Purchase of capital assets	(29,496)
<b>Net cash used by investing activities</b>	<b>(360,121)</b>
<b>Net change in cash and cash equivalents</b>	<b>61,710</b>
Cash and cash equivalents, beginning of year	293,670
<b>Cash and cash equivalents, end of year</b>	<b>\$ 355,380</b>

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

**COMMUNITY AGAINST VIOLENCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

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

*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.

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

The Financial Accounting Standards Board (FASB) issued the Accounting Standards Codification (ASC or the Codification) as the source of authoritative accounting principles recognized by the FASB to be used by nongovernmental entities when preparing financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in the United States. The Codification essentially reduces the GAAP hierarchy to two levels: authoritative and non-authoritative, with the Codification being authoritative GAAP.

*Basis of Accounting.* The financial statements of CAV have been prepared on the accrual basis of accounting.

*Basis of 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 three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. No permanently restricted assets were held during the year; accordingly, these financial statements do not reflect any activity related to this class of net assets.

*Cash and Cash Equivalents.* For the purposes of the statement of cash flows, all highly liquid investments with an initial maturity of 90 days or less are considered to be cash equivalents.

*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 income or loss (including realized and unrealized gains and losses on investments, interest and dividends), is included in unrestricted revenue and other support.

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

**COMMUNITY AGAINST VIOLENCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2018**

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

*Property and Equipment.* Acquisitions of property and equipment of \$1,500 or more are recorded at cost if purchased and at fair market value if donated. Expenditures for minor replacements, repairs and maintenance are charged to expense as incurred. Depreciation is calculated on a straight line basis over the following estimated useful lives:

Office equipment	3 – 5 years
Program equipment	5 years
Shelter furnishings	5 years
Building	30 years
Annex building lease improvements	5 years

Gifts of long-lived operating assets such as land, buildings or equipment are reported as unrestricted support and are excluded from excess of revenues, gains and other support over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used 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 these long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed into service.

Depreciation expense for the year ended June 30, 2018 was \$31,243.

*Inventory.* CAV receives contributions of goods and materials (inventory) and processes these contributions as merchandise available for sale in its retail thrift store. ASC 958-605, *Revenue Recognition*, requires that contributions received be recognized as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Contributions are measured at their fair 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. It is only through the value-added processes that prepare the donated inventory for sale that gives the inventory value. Accordingly, contributed goods and materials are valued at zero prior to being offered for sale. CAV considers the costs associated with bringing the inventory to sale (donation collection, transportation, sorting and pricing) in its estimate of the fair value 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”.

**COMMUNITY AGAINST VIOLENCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2018**

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

*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 temporarily restricted net assets.

*Grants which are fee-for-services* – revenue is recognized when eligible services are provided.

*Donated goods and services.* Donated materials, equipment and services are recorded as in-kind contributions at their estimated fair market value when received.

*Donor-restricted gifts.* Unconditional promises to give cash or other assets are recorded at fair market value when the promise is received. Conditional promises to give and indications of intentions to give are recorded at fair value when the gift is received. Gifts received with donor stipulations that limit the use of the donated asset are recorded as either temporarily restricted or permanently restricted support. When the time or purpose restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets, and reported in the statement of activities as “Net assets released from restrictions”. If the restrictions are met within the same fiscal year, CAV reports the contribution as unrestricted in the accompanying financial statements. There are no outstanding promises to give at June 30, 2018.

*Income Taxes.* CAV is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code on all income except for unrelated business income. 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, 2018, CAV had no uncertain tax positions. CAV's open audit periods are 2014 to 2017.

*Advertising costs.* Advertising costs are expensed as incurred.

*Functional Expense Allocation.* The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of operations and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**COMMUNITY AGAINST VIOLENCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2018**

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

*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 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.

*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.

*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.

**NOTE 2 – INVESTMENTS**

The costs and carrying values of investments as of June 30, 2018 are as follows:

	Cost	Fair Value Adjustment	Carrying Value
Unrestricted, board designated			
Money market funds	\$ 189,636	\$ -	\$ 189,636
Marketable securities	314,996	62,224	377,220
<b>Total designated</b>	<u>504,632</u>	<u>62,224</u>	<u>566,856</u>
Unrestricted, undesignated			
Money market funds	<u>865,359</u>	<u>-</u>	<u>865,359</u>
<b>Total investments</b>	<u><u>\$ 1,369,991</u></u>	<u><u>\$ 62,224</u></u>	<u><u>\$ 1,432,215</u></u>

For the year ending June 30, 2018, unrealized gains (losses) on investments were \$5,813.

**NOTE 3 – FAIR VALUE OF ASSETS AND LIABILITIES**

CAV has adopted ASC 820-10, *Fair Value Measurements*. ASC 820-10 defines fair value, establishes a framework for measuring fair value, and requires certain disclosures relating to fair value measurements.

**COMMUNITY AGAINST VIOLENCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2018**

**NOTE 3 – FAIR VALUE OF ASSETS AND LIABILITIES - CONTINUED**

ASC 820-10 defines fair value as 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.

ASC 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

ASC 820-10 describes three levels of inputs that may be used to measure fair value:

Level 1	Quoted prices in active markets for identical assets or liabilities
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3	Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2018 or 2017.

Marketable securities – valued at quoted prices on active markets

Money market funds - valued at quoted prices on active markets

Mutual funds - valued at quoted prices on active markets

The following table presents the fair value measurements of assets and liabilities reported in the accompanying statements of financial position, measured at fair value on a recurring basis and the level within the ASC 820-10 fair value hierarchy in which the fair value measurements fall at June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments - June 30, 2018	<u>\$ 1,432,215</u>	<u>\$ -</u>	<u>\$ -</u>

**COMMUNITY AGAINST VIOLENCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2018**

**NOTE 4 – DONATED ASSETS AND 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.

**NOTE 5 – 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.

*Credit and market risk concentration.* Financial instruments that potentially expose CAV to concentrations of credit and market risk consist primarily of cash and investments. Cash equivalents are maintained at high-quality financial institutions and credit exposure is limited at any one institution. From time to time, CAV maintains uninsured cash balances in excess of the \$250,000 insured by the Federal Deposit Insurance Corporation. CAV has not experienced any losses on its cash equivalents. CAV's investments do not represent significant concentrations of market risk since CAV's investment portfolio is adequately diversified among issuers.

**NOTE 6 – LEASE OBLIGATIONS**

*Administration and program building.* The Town of Taos donates space for CAV's administration and programs. CAV recognizes an in-kind contribution for the estimated fair market rental value. The contribution is calculated based on market rental values of similar buildings in the Taos, New Mexico area.

Total rent expense reported for the year ended June 30, 2018 is \$116,608, which includes an in-kind donation of \$114,890 from the Town of Taos.

**NOTE 7 – 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 expense for the year ended June 30, 2018 was \$36,998.

**COMMUNITY AGAINST VIOLENCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2018**

**NOTE 8 – GRANT CONTINGENCIES**

CAV receives 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.

**NOTE 9 - PREPARATION OF FINANCIAL STATEMENTS**

These financial statements were prepared by James L. Hartogensis, CPA LLC from the books and records of CAV. However, the contents of these financial statements remain the responsibility of CAV's management.

**NOTE 10 – 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. CAV 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. CAV's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the balance sheet date.

CAV has evaluated subsequent events through October 31, 2018, the date the financial statements were available to be issued.

**NOTE 11 – NEW ACCOUNTING PRONOUNCEMENT**

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 is effective for fiscal years beginning on or after December 15, 2017. New Day is currently assessing the impact that ASU 2016-14 will have on its financial statements and related disclosures.



## **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  
Community Against Violence, Inc.  
Taos, 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 Community Against Violence, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, 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 October 31, 2018.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Community Against Violence, 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 Community Against Violence, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Community Against Violence, 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 Community Against Violence, 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  
October 31, 2018

**COMMUNITY AGAINST VIOLENCE, INC.  
SCHEDULE OF FINDINGS AND RESPONSES**

June 30, 2018

**A. SUMMARY OF AUDITOR RESULTS**

*FINANCIAL STATEMENTS*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiency identified not considered to be a material weakness? No

Noncompliance material to financial statements noted? No

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

None.

**C. SCHEDULE OF PRIOR YEAR FINDINGS**

None.