



COMMUNITY AGAINST VIOLENCE

INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS

For The Year Ended June 30, 2022,
With Comparative Totals For 2021

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Community Against Violence
Independent Auditor's Report and Financial Statements
For The Year Ended June 30, 2022, With Comparative Totals For 2021

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**COMMUNITY AGAINST VIOLENCE
OFFICIAL ROSTER
As of June 30, 2022**

Board of Directors

Name	Title
Molly McMullin	Chair
Liana Bayles	Vice-Chair
Adriana Blake	Secretary
Leticia Pacheco	Treasurer
Harold Lefthand	Director
Francisco Espinoza	Director
James Hatfield	Past-Chair

Principal Employees

Name	Title
Malinda Williams	Executive Director
Anita Medina	Finance Director



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Against Violence
Taos, NM

Opinion

We have audited the accompanying financial statements of Community Against Violence (CAV), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CAV as of June 30, 2022, 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.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CAV and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CAV's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CAV's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CAV's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Prior Year Summarized Comparative Information

We have previously audited the Organization's June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 22, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2022, 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 solely 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 the effectiveness of CAV's 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 27, 2022

COMMUNITY AGAINST VIOLENCE
STATEMENT OF FINANCIAL POSITION
As of June 30, 2022, With Comparative Totals For 2021

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Current Assets			
Cash, restricted cash, and cash equivalents	3	\$ 524,796	577,230
Grants receivable		487,978	370,119
Contract receivables		14,248	35,811
Inventory		92,287	81,695
Investments (undesignated)	4	561,273	560,168
Investments (designated for future capital expenditures)	4	<u>784,896</u>	<u>840,371</u>
Total current assets		2,465,478	2,465,394
Non-Current Assets			
Property and equipment, net of depreciation	6	1,848,664	2,084,951
Beneficial interest in assets held by community foundation	12	<u>25,775</u>	<u>28,455</u>
Total non-current assets		<u>1,874,439</u>	<u>2,113,406</u>
 Total Assets		 <u>\$ 4,339,917</u>	 <u>4,578,800</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable		\$ 1,076	5,930
Accrued payroll and related taxes and leave		74,600	69,056
Notes payable-current portion	7	<u>35,141</u>	<u>12,506</u>
Total current liabilities		110,817	87,492
 Notes payable-non-current portion	7	 <u>172,006</u>	 <u>611,981</u>
Total Liabilities		<u>282,823</u>	<u>699,473</u>
Net Assets			
Without donor restrictions			
Undesignated		1,564,625	1,464,817
Investment in property and equipment		1,641,517	1,460,464
Designated for future capital expenditures		784,896	840,371
With donor restrictions			
Perpetual restrictions	12	10,965	12,305
Purpose/time restrictions	9	<u>55,091</u>	<u>101,370</u>
Total Net Assets		<u>4,057,094</u>	<u>3,879,327</u>
Total Liabilities and Net Assets		<u>\$ 4,339,917</u>	<u>4,578,800</u>

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, 2022, With Comparative Totals For 2021

	2022			2021	
	Without Donor Restrictions	With Donor Restrictions		Total	Total
		Purpose/Time Restricted	Perpetually Restricted		
Support and Revenue					
Sales	\$ 487,449	-	-	487,449	323,941
Cost of sales	(487,449)	-	-	(487,449)	(323,941)
Thrift store sales, net	-	-	-	-	-
PPP loan and CARES act revenue	-	-	-	-	129,037
Donations and fundraising activities	269,657	-	-	269,657	232,517
Federal grants	1,037,662	-	-	1,037,662	1,035,009
Other grants and contracts	1,913,109	57,500	-	1,970,609	1,623,858
Interest and investment gain/(loss)	(85,750)	-	(670)	(86,420)	57,714
Exchange of services for use of facility	137,121	-	-	137,121	143,616
In-kind thrift store donations	487,449	-	-	487,449	323,941
In-kind contributions	1,500	-	-	1,500	4,366
Other revenue	13,144	-	-	13,144	1,164
Gain (loss) on disposal of assets	(123,477)	-	-	(123,477)	-
Change in year-end inventory	10,592	-	-	10,592	8,620
Total support and revenue	3,661,007	57,500	(670)	3,717,837	3,559,842
Net assets released from restrictions	104,449	(103,779)	(670)	-	-
Total revenue and support	3,765,456	(46,279)	(1,340)	3,717,837	3,559,842
Expenses					
Program services	2,327,804	-	-	2,327,804	2,140,181
Thrift store	499,962	-	-	499,962	397,051
General and administrative	661,299	-	-	661,299	592,657
Fundraising	51,005	-	-	51,005	54,594
Total expenses	3,540,070	-	-	3,540,070	3,184,483
Change in net assets	225,386	(46,279)	(1,340)	177,767	375,359
Net assets, beginning of year	3,765,652	101,370	12,305	3,879,327	3,503,968
Net assets, end of year	\$ 3,991,038	55,091	10,965	4,057,094	3,879,327

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COMMUNITY AGAINST VIOLENCE
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2022, With Comparative Totals For 2021

	2022					2021 Total
	General Program	Supporting Activities			Total	
		Thrift Store	General and Administrative	Fundraising		
Compensation and related expenses						
Salary and wages	\$ 1,318,391	243,970	458,379	34,591	2,055,331	1,777,279
Payroll taxes	102,582	19,237	34,799	2,942	159,560	137,169
Employee benefits	221,448	66,240	61,970	2,516	352,174	285,286
Total compensation and related expenses	<u>1,642,421</u>	<u>329,447</u>	<u>555,148</u>	<u>40,049</u>	<u>2,567,065</u>	<u>2,199,734</u>
Other expenses						
Cost of sales	-	487,449	-	-	487,449	323,941
Client expense	240,044	-	-	-	240,044	269,513
Insurance	17,028	18,470	39,604	865	75,967	81,860
Utilities	21,502	30,090	4,089	-	55,681	43,576
Equipment	30,813	9,527	-	-	40,340	53,789
Repairs and maintenance	13,578	17,257	5,861	25	36,721	23,042
Advertising	34,711	1,253	-	354	36,318	47,667
Supplies	20,251	5,102	4,369	1,473	31,195	30,581
Subcontractors	8,049	56	17,542	-	25,647	34,416
Telephone	17,201	3,452	3,328	1,137	25,118	22,586
Dues and subscriptions	11,837	1,218	10,741	504	24,300	24,572
Shelter	22,722	-	-	-	22,722	21,895
Staff training	21,818	-	-	-	21,818	41,230
Interest expense	-	18,690	-	-	18,690	36,889
Other	3,341	9,411	724	4,409	17,885	10,239
Professional services	-	2,540	14,720	-	17,260	16,721
Travel	12,045	30	204	22	12,301	2,704
Fundraising	-	2,253	-	1,603	3,856	32
Postage	-	9	2,828	564	3,401	2,779
Rent	3,232	-	-	-	3,232	2,519
Property taxes	-	-	641	-	641	865
Total other expenses before depreciation and other non-cash expenses	<u>478,172</u>	<u>606,807</u>	<u>104,651</u>	<u>10,956</u>	<u>1,200,586</u>	<u>1,091,416</u>
Depreciation	46,938	51,157	-	-	98,095	53,966
In-kind art	-	-	1,500	-	1,500	-
Gift certificates issued to clients	23,152	-	-	-	23,152	19,692
Use of facility in exchange for services	137,121	-	-	-	137,121	143,616
Total non-cash expenses	<u>160,273</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>161,773</u>	<u>163,308</u>
Less cost of sales included with revenue on the statement of activities	-	(487,449)	-	-	(487,449)	(323,941)
Total expenses	<u>\$ 2,327,804</u>	<u>499,962</u>	<u>661,299</u>	<u>51,005</u>	<u>3,540,070</u>	<u>3,184,483</u>

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, 2022, With Comparative Totals For 2021

	2022	2021
Cash Flows From Operating Activities		
Cash received from:		
Donations and fundraising activities	\$ 269,657	232,517
PPP loan and care act revenue	-	80,637
Grants and contracts	2,911,975	2,594,589
Thrift store sales	464,297	304,249
Other revenue	13,144	1,164
Interest and investment income / (loss)	(64,556)	(21,037)
Total cash received	3,594,517	3,192,119
Cash paid to:		
Vendors and suppliers	(3,260,822)	(2,917,381)
Interest expense	(18,690)	(36,889)
Cash used for operating activities	(3,279,512)	(2,954,270)
Net cash provided (used) by operating activities	315,005	237,849
Cash Flows From Investing Activities		
Purchases of investments and transfers	(1,258)	(6,892)
Proceeds from sale of investments	32,506	279,050
Proceeds from sale of property	86,693	-
Purchase of property and equipment	(68,040)	(473,404)
Cash provided by (used for) investing activities	49,901	(201,246)
Cash Flows From Financing Activities		
Payments of long-term debt	(417,340)	(12,448)
Cash used for financing activities	(417,340)	(12,448)
Net increase (decrease) in cash and cash equivalents	(52,434)	24,155
Cash, restricted cash, and cash equivalents at beginning of year	577,230	553,075
Cash, restricted cash, and cash equivalents at end of year	\$ 524,796	577,230
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ 177,767	375,359
Loss on disposition of fixed assets	123,477	-
Adjustment of capitalized donated architecture services	-	(4,366)
Adjustment of donated inventory	(10,592)	(8,620)
Depreciation	98,095	53,966
Unrealized (gains) and losses	21,864	(78,751)
<i>(Increases) decreases in operating assets:</i>		
(Increase) decrease in receivables	(96,296)	(64,278)
(Increase) decrease in prepaid expense	-	(690)
<i>Increase (decrease) in operating liabilities:</i>		
Increase (decrease) in PPP loan	-	(48,400)
Increase (decrease) in accounts payable	(4,854)	6,620
Increase (decrease) in accrued expenses	5,544	7,009
Cash provided by operating activities	\$ 315,005	237,849
Supplementary Information		
Gift certificates issued to clients	\$ 23,152	19,692
Use of facility in exchange for services	137,121	143,616
In-kind thrift store donations	487,449	323,941
Donated art	1,500	-
Donated architecture services	-	4,366
	\$ 649,222	491,615

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, 2022, With Comparative Totals For 2021

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.

CAV offers confidential services free of charge to victims/survivors (female, male, transgender) of domestic and sexual violence, child or elder abuse, stalking, and human trafficking. CAV also provides CHANGES, a re-education program (nominal materials fee) for people who have used violence, power, and control in their relationships. Non-English languages and video relay interpretation services are also available for services.

- **24-Hour HelpLine 575-758-9888, & Textline 575-770-2706:** 24-hour crisis intervention services providing emotional support, advocacy, and information for survivors of domestic and sexual violence.
- **Shelter:** Emergency shelter for adults and their children, as well as shelter space and assistance to arrange care if needed for pets. Access to all CAV services whether in or out of shelter and housing programs.
- **Transitional Housing:** On-site and scattered off-site short- or long-term transitional housing program.
- **Civil Legal Attorney and Legal Advocacy Services:** Legal advice, brief legal services, assistance obtaining orders of protection, advocacy, case management, and support with criminal cases involving domestic and sexual violence and child abuse situations.
- **Medical Advocacy:** Accompaniment and advocacy for survivors at the hospital, emergency room, SANE Unit or doctor's office, and to access any available resources for medical, prescriptions, dental repairs, etc.

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2022, With Comparative Totals For 2021

- **Counseling & Support Groups:** Individual and group counseling and support groups for adult and child survivors. For children, “Dog Group” using therapy dogs trained by Assistance Dogs of the West.
- **Children’s Programs:** Short term childcare, resources, and referrals for parents, “Circle of Security” parenting support group, information on the effects of trauma on children, and structured healthy activities.
- **Prevention, Outreach & Education:** Prevention, outreach, and education programs, providing age-appropriate presentations for schools and community groups on Abuse and Respect, Dating Violence, Conflict Resolution, Sexual Harassment, Child Abuse, and Healthy Relationship Skills, using an anti-oppression framework.
- **Northern New Mexico Children’s Advocacy Center (NNMCAC, “CAC”):** Forensic interviewing and specialized advocacy services for child survivors of abuse; used to support investigations of suspected child abuse and minimize their negative impact on the child. Children and their protective caregivers are supported to access services and resources at CAV and in the community.
- **Thrift Store:** CAV’s thrift store receives donations from the community with proceeds benefitting CAV programs. While program participants are given gift certificates (at no charge) for items they need, in general, the thrift store is not considered a program activity and the cost of sales are presented as a supporting services expense in the statements of activities and functional expenses.
- **CHANGES Program:** A 52-session re-education program for court-ordered and self-referred people who are using domestic violence power and control tactics on their partners or family.
- **Information & Referral:** To medical, legal, substance use disorder, and mental health professionals; housing, food, and clothing resources; support groups; Crime Victims’ Reparation Application information and forms; and other related resources. Written materials (brochures, pamphlets) are available.

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2022, With Comparative Totals For 2021

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.

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, 2022, With Comparative Totals For 2021**

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 12—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 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 and 2 pueblos in north central New Mexico.

Grant and Contract Receivables 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 two separate financial institutions located in Taos, New Mexico. As of June 30, 2022 and 2021, the CAV bank balances were not insured by FDIC by \$319,541 and \$377,071, respectively. This does not include funds held in money markets or other financial instruments.

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NOTES TO FINANCIAL STATEMENTS
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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 statement of financial position. Investment 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

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2022, With Comparative Totals For 2021

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.

Grant Receivables

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

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2022, With Comparative Totals For 2021

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

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

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

Contributions

Contributions are reported when an unconditional promise to give or other asset is received (in accordance with ASC 958-605). All contributions are considered available for CAV's general programs unless specifically restricted by the donor. The Statement of Activities identifies contributions with donor-imposed restrictions and the subsequent release from restrictions as they are met.

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- Contributions of donated non-cash assets and 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. Contributions with donor-imposed restrictions spent in the same year or in later periods are shown as initially donor restricted and released to without donor restriction in the Statement of Activities as the restriction expires. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class.
- Contributions of donated professional services are recognized in the accompanying financial statements if the services received
 - create or enhance non-financial assets or
 - require specialized skills, are recorded at their fair values in the period received.
- Investment income that is limited to specific uses by donors are shown as initially donor restricted and released once the donor restriction has been met.
- 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-lives assets are placed in service. Contributed long-lived assets are recorded at their fair market value on the date of receipt.

Thrift Store

CAV's thrift store receives and records donations of merchandise as contributions and inventory. Once the merchandise is sold, the sales and cost of sales are recorded as exchange transactions. The sale of merchandise is recognized as revenue at a single point in time based on the price stated on each item for sale. The transaction takes place when the goods transfer to the customer.

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Grants

Grants contributions are typically recorded as restricted revenue based on either a purpose (program) restriction and/or a time restriction. Some grant contributions may be recorded on a reimbursement basis. Specifically, when qualifying expenses are incurred, a receivable and grant revenue are recorded. CAV has no exchange type grants.

Purchase of Services by Governmental Agencies

There are two types of governmental agreements as follows:

Conditional Contributions

CAV receives governmental grants to provide services to the public. The terms of these grants specify that CAV must incur certain qualifying expenses or costs in compliance with the rules and regulations established by the grantor. These grant funds are paid predominately on a cost-reimbursement basis, but there can be upfront payments received at the beginning of the grant cycle. The advance payments are considered unearned revenue until services are provided. For expedient purposes, these amounts are recorded as revenue as the services will soon be provided and “trued up” at year-end, if necessary. Any advances of upfront payments must be returned, if unused. Any unused assets are forfeited, and any unallowed costs that have drawn down by CAV are required to be refunded. These grants are determined to be conditional as they are required to be spent on qualifying expenses and therefore the revenue is recognized once CAV has incurred those qualifying expenses. These grants are recorded without donor restrictions. This includes grants from the Children, Youth and Families Department, U.S. Department of Housing and Urban Development, New Mexico Mortgage Finance Authority, and the State of New Mexico Crime Victims Reparation Commission.

Contract Revenue

CAV has contracted with one agency to provide services to the public, which are related to its mission. These contract revenues are recorded at the time the services are provided and the performance obligation is satisfied. The performance obligation is the delivery of the services over time provided to the participants in the program. The transaction price is established by CAV and

**COMMUNITY AGAINST VIOLENCE
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the Contractor per the agreement. No allocation of the transaction price of the services is necessary. The recognition method is based on time, i.e. the input method. Specifically, when CAV has incurred the qualifying expenses in compliance with the general and specific requirements of the funding source. Specifically, when CAV has incurred provided the service in compliance with the general and specific requirements of the contract, both the receivable to CAV and offsetting contract revenue are recorded. This includes the Department of Health contract.

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, 2022, 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, 2022 and 2021, advertising expenses incurred totaled \$36,318 and \$47,667 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

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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.

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

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with CAV's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Reclassifications

Certain reclassifications may have been made to the 2021 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

The 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 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 were present as of June 30, 2022 and 2021.

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

**COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2022, With Comparative Totals For 2021**

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 27, 2022, which is the date the financial statements were available to be issued.

Subsequent to June 30, 2022, 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>2022</u>	<u>2021</u>
Hillcrest Bank	\$ 522,121	574,917
Nusenda Credit Union	1,825	1,463
Petty Cash	<u>850</u>	<u>850</u>
	<u>\$ 524,796</u>	<u>577,230</u>

Restricted cash is included in the totals above and is as follows:

	<u>2022</u>	<u>2021</u>
Restricted cash	\$ <u>55,091</u>	<u>101,370</u>

These funds are donor restricted program funds identified in Note 9.

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2022, With Comparative Totals For 2021

NOTE 4—INVESTMENTS

A summary of investments at June 30 are as follows:

	2022		
	Cost	Fair Value Adjustment	Fair Value
	FDIC insured cash equivalents	\$ 109,596	-
Cash and cash equivalents	896,619	-	896,619
Stock and ETFs	361,818	(21,864)	339,954
Total investments	\$ 1,368,033	(21,864)	1,346,169
	2021		
	Cost	Fair Value Adjustment	Fair Value
FDIC insured cash equivalents	78,840	-	78,840
Cash and cash equivalents	867,404	-	867,404
Fixed income funds	12,060	2,790	14,850
Stock and ETFs	363,484	75,961	439,445
Total investments	1,321,788	78,751	1,400,539

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 its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

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Liquidity is as follows:

Description	2022	2021
Cash and cash equivalents	\$ 524,796	577,230
Grants receivable	487,978	370,119
Other receivables	14,248	35,811
Investments (undesignated)	561,273	560,168
	<u>1,588,295</u>	<u>1,543,328</u>
Donor restricted amounts:		
Net assets with donor restrictions	55,091	101,370
Less net assets with purpose and time restriction to be met in less than a year	<u>(55,091)</u>	<u>(101,370)</u>
	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,588,295</u>	<u>1,543,328</u>

NOTE 6—PROPERTY, EQUIPMENT AND DEPRECIATION

Property and equipment consisted of the following at June 30:

	2021	Additions	Deletions	2022
Land	\$ 594,627	-	(212,227)	382,400
Construction in progress	-	5,995	-	5,995
	<u>594,627</u>	<u>5,995</u>	<u>(212,227)</u>	<u>388,395</u>
Building and improvements	1,553,056	3,804	-	1,556,860
Office equipment	56,456	-	(840)	55,616
Annex building lease improvements	79,164	23,817	-	102,981
Vehicles	53,469	18,835	-	72,304
Shelter furnishings	40,769	-	-	40,769
Program equipment	67,475	21,584	-	89,059
Total	<u>1,850,389</u>	<u>68,040</u>	<u>(840)</u>	<u>1,917,589</u>
Less accumulated depreciation	<u>(360,065)</u>	<u>(98,095)</u>	<u>840</u>	<u>(457,320)</u>
Property and equipment, net of depreciatio	<u>\$ 2,084,951</u>	<u>(24,060)</u>	<u>(212,227)</u>	<u>1,848,664</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$98,095 and \$53,966, respectively.

**COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2022, With Comparative Totals For 2021**

NOTE 7—NOTES PAYABLE

Notes payable are as follows:

Notes Payable	2022	2021
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 \$489,200.74 due on October 1, 2029. Upon full prepayment of this Note, the Lender is entitled to a minimum interest charge of \$25.00. Other than CAV's obligation to pay any minimum interest charge, CAV may pay without penalty all or a portion of the amount owed earlier than it is due.	207,147	624,487
Less current portion	(35,141)	(12,506)
Total notes payable long-term portion	\$ 172,006	611,981

During the year ended June 30, 2022, CAV made additional principal payments totaling \$386,693.

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

403(b) Match	2022	2021
Contributions \$	59,695	47,581

**COMMUNITY AGAINST VIOLENCE
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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:

Grantor	2021	Restricted Donations	Restrictions Released	2022	Time/Purpose
Robert T. Keeler	\$ 30,000	-	(30,000)	-	Survivors of domestic violence
LANL Foundation	948	-	(948)	-	Outreach
Enterprise	2,000	-	(2,000)	-	Time restricted
Taos Community Foundation	5,000	-	(5,000)	-	Women and children support
Taos Community Foundation	6,300	-	(6,300)	-	Time restricted
Taos Community Foundation	8,105	-	(8,105)	-	IT Support
Santa Fe Community Foundation	17,250	-	(17,250)	-	Time restricted
JP Morgan Securities	1,267	-	(1,267)	-	Time restricted
Santa Barbara Foundation	2,000	-	(2,000)	-	Time restricted
FADV	3,000	-	(3,000)	-	Transitional housing rent deposit
Lineberry Foundation	25,000	-	(25,000)	-	Time restricted
Reed Family Foundation	500	-	(500)	-	Time restricted
Trieschmann Foundation	-	2,500	(2,409)	91	Employee Wellness Initiative
TCF-Taos Recovery	-	5,000	-	5,000	Thrift store resources for families impacted by storm
Robert T. Keeler Foundation	-	50,000	-	50,000	Time restricted for 2023 and 2024
Total donor restricted \$	<u>101,370</u>	<u>57,500</u>	<u>(103,779)</u>	<u>55,091</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:

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.

**COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS
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Type	2022	2021	Usage in Programs/Activities	Donor Restriction	Fair Value Techniques*
In-kind thrift store donations	\$ 487,449	323,941		None	1
Exchange of services for use of facility	137,121	143,616	CAV's administration and program activities	None	2
In-kind art donation	1,500	-	For display in office	None	3
In-kind construction services	-	4,366	Architect services related to construction	None	4
	<u>\$ 626,070</u>	<u>471,923</u>			

* Legend for Fair Value Techniques

1. Value of items at time of sale
2. Formal appraisal in conformity with the Uniform Standard of Professional Appraisal Practice
3. Estimated based on the FMV of sales by the artist
4. 50% reduction of architect expense based on similar fees by the architect

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.

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.

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2022, With Comparative Totals For 2021

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.

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.

**COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS
For The Year Ended June 30, 2022, With Comparative Totals For 2021**

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, 2022	\$ 1,346,169	25,775	-
Investments - June 30, 2021	\$ <u>1,400,539</u>	<u>28,455</u>	<u>-</u>

- Marketable securities are valued at quoted prices on active markets (Level 1)
- Money market funds are valued at quoted prices on active markets (Level 1)
- Mutual funds are valued at quoted prices on active markets (Level 1)
- 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. (Level 2)

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.”

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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:

	2022			2021
	SFCF	TCF	Total	Total
Beginning balance	12,305	16,150	28,455	21,563
Additions				
Contributions	550	1,217	1,767	2,924
Net earnings	(1,220)	(2,248)	(3,468)	4,581
Total additions	(670)	(1,031)	(1,701)	7,505
Withdrawals				
Distributions	-	-	-	(252)
Fee	(120)	(309)	(429)	(361)
Grants distributed	(550)	-	(550)	-
Total withdrawals	(670)	(309)	(979)	(613)
Ending balance	<u>10,965</u>	<u>14,810</u>	<u>25,775</u>	<u>28,455</u>

NOTE 13—RELATED PARTY

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

**COMMUNITY AGAINST VIOLENCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2022**

Federal Agency/ Program Description	Assistance Listing Number	Pass-through Grantor Number/or Other Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Direct Award			
Continuum of Care Homeless Assistance	14.267	NM0038L6B012010	\$ 139,702
Total U.S. Department of Housing and Urban Development			<u>139,702</u>
U.S. Department of Justice			
Direct Award			
Office on Violence Against Women Transitional Housing Assistance for Victims of Domestic Violence, Stalking, or Sexual Assault	16.736	2017-WH-AX-0065	97,937
Pass-through New Mexico Crime Victim's Reparation Commission			
Sexual Assault Services Program	16.017	2021-KF-801	34,680
VOCA Victim Assistance	* 16.575	2018-V2-GX-0022	550,814
STOP Violence Against Women	16.588	2021-WF-712	<u>25,518</u>
Total U.S. Department of Justice			<u>708,949</u>
U.S. Department of Housing and Urban Development			
Pass-through the New Mexico Mortgage Finance Authority			
Emergency Homeless Assistance Program	14.231	21-02-CAV-EHA-001	50,502
COVID-19 Emergency Homeless Assistance Program-CARES Act	14.231	20-02-CAV-CAE-001	<u>35,092</u>
Total U.S. Department of Housing and Urban Development			<u>85,594</u>
U.S. Department of Health and Human Services			
Pass-through New Mexico Children, Youth and Families Department			
Family Violence Prevention and Services	93.671	DV-FVPSA10-8580	41,000
Family Violence Prevention and Services	93.671	DV-FVPSA10-8581	51,200
FVPSA	93.671	FVPSA10: ARPLAN	<u>10,846</u>
Total U.S. Department of Health and Human Services			<u>103,046</u>
U.S. Department of Agriculture			
Pass-through Early Childhood Education and Care Department			
Child and Adult Care Food Program	10.558	0658	<u>371</u>
Total U.S. Department of Agriculture			<u>371</u>
Total expenditures of federal awards			<u>\$ 1,037,662</u>
Reconciliation to Financial Statements			
Federal revenue per statement of activities			\$ 1,037,662
Per Schedule of Expenditures of Federal Awards			<u>1,037,662</u>
Difference (amounts reconcile)			<u>\$ -</u>

*Major program

See Independent Auditor's Report

COMMUNITY AGAINST VIOLENCE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

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, 2022.

NOTE 4—SUB-RECIPIENTS

CAV did not have any sub-recipients for the year ended June 30, 2022.

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
Taos, 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, 2022, 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 27, 2022.

Report on 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) as a basis for designing 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

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that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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 27, 2022

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

Board of Directors
Community Against Violence
Taos, NM

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Community Against Violence's (CAV's) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of CAV and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of CAV's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to CAV's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on CAV's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about CAV's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding CAV's

compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of CAV's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 CAV's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 27, 2022

**COMMUNITY AGAINST VIOLENCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2022**

SECTION II AND III—SUMMARY OF FINDINGS

FINANCIAL AND FEDERAL FINDINGS

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