

COMMUNITY AGAINST VIOLENCE

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2025
With Comparative Totals for 2024



COMMUNITY AGAINST VIOLENCE

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COMMUNITY AGAINST VIOLENCE

BOARD OF DIRECTORS AND PRINCIPAL EMPLOYEES

June 30, 2025

Board of Directors

Liana Baldonado Bayles	Chair
Harold Lefthand	Vice-Chair/Chair Elect
Adriana Blake	Secretary
Leticia Pacheco	Treasurer
Molly McMullin	Past-Chair
James Andrew Hatfield	Director
Francisco Espinoza	Director
Lisa Bushnell	Director

Principal Employees

Joella Montoya	Executive Director
Daniel Scullin	Finance Director



INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the accompanying financial statements of Community Against Violence (a nonprofit organization) (CAV) which comprise the statements of financial position as of June 30, 2025, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CAV as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles accepted in the United States of America.

Basis for Opinion

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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of CAV and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my 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.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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*, I:

- 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 my 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.

I am 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 I identified during my audit.

Report on Summarized Comparative Information

I have previously audited CAV's 2024 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated October 24, 2025. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated April 7, 2026, 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 solely 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's internal control over financial reporting and compliance.

James L. Hartogensis, CPA LLC

Albuquerque, New Mexico
April 7, 2026

COMMUNITY AGAINST VIOLENCE, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2025, With Comparative Totals for 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash, restricted cash, and cash equivalents	\$ 1,807,917	\$ 1,369,684
Grants receivable	321,899	374,911
Inventory	93,196	93,196
Prepaid expenses	9,828	10,952
Right of use asset - net of accumulated amortization	21,750	27,550
Investments (undesignated)	1,624,477	919,388
Investments (designated for future capital expenditures)	-	824,043
Total current assets	<u>3,879,067</u>	<u>3,619,724</u>
Noncurrent Assets		
Property and equipment, net of depreciation	1,234,598	1,291,031
Beneficial interest in assets held by community foundation	43,613	39,676
Total noncurrent assets	<u>1,278,211</u>	<u>1,330,707</u>
Total assets	<u>\$ 5,157,278</u>	<u>\$ 4,950,431</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 11,970	\$ -
Accrued payroll and related taxes and leave	88,890	91,899
Other liabilities	6,067	6,628
Current portion of lease liability	6,492	5,299
Total current liabilities	<u>113,419</u>	<u>103,826</u>
Noncurrent liabilities		
Lease liability	15,925	22,417
Total liabilities	<u>129,344</u>	<u>126,243</u>
Net Assets		
Without donor restrictions		
Undesignated	2,928,816	2,636,788
Investment in property and equipment	1,256,348	1,318,581
Designated for future capital expenditures	824,043	824,043
With donor restrictions		
Perpetual restrictions	14,227	11,531
Purpose/time restrictions	4,500	33,245
Total net assets	<u>5,027,934</u>	<u>4,824,188</u>
Total liabilities and net assets	<u>\$ 5,157,278</u>	<u>\$ 4,950,431</u>

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

COMMUNITY AGAINST VIOLENCE, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025, With Comparative Totals for 2024

	2025				2024
	With Donor Restrictions				
	Without Donor Restrictions	Purpose/Time Restrictions	Perpetually Restricted	Total	Total
Unrestricted Revenue and Other Support					
Thrift store sales	\$ 615,090			\$ 615,090	\$ 540,932
Donations and fundraising activities	201,449	-	-	201,449	592,726
Federal grants	882,544	-	-	882,544	921,333
Other grants and contracts	2,012,847	4,500	-	2,017,347	1,877,746
Investment income (loss)	113,783	-	-	113,783	83,966
Exchange of services for use of facility	114,850	-	-	114,850	173,459
In-kind contributions	2,500	-	-	2,500	-
Other revenue	1,274	-	-	1,274	12,373
Change in year-end inventory	-	-	-	-	(4,283)
Total support and revenue	3,944,337	4,500	-	3,948,837	4,198,252
Net assets released from restrictions	33,245	(33,245)	-	-	-
Total support and revenue after net assets released from restrictions	3,977,582	(28,745)	-	3,948,837	4,198,252
Expenses					
Program expenses	2,418,912	-	-	2,418,912	2,393,392
Thrift Store	533,902	-	-	533,902	505,715
General and administrative expenses	775,252	-	-	775,252	772,067
Fundraising expenses	17,025	-	-	17,025	108,081
Total expenses	3,745,091	-	-	3,745,091	3,779,255
Change in net assets	232,491	(28,745)	-	203,746	418,997
Net assets, beginning of the year	4,779,412	33,245	11,531	4,824,188	4,405,191
Net assets, end of the year	\$ 5,011,903	\$ 4,500	\$ 11,531	\$ 5,027,934	\$ 4,824,188

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

COMMUNITY AGAINST VIOLENCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2025, With Comparative Totals for 2024

		Supporting Services				
	Program Services	Thrift Store	General and Administrative	Fundraising	Total Expenses	2024 Total
Compensation and related expenses						
Salaries and wages	\$ 1,494,660	\$ 313,893	\$ 420,948	\$ -	\$ 2,229,501	\$ 2,094,965
Payroll taxes	106,691	24,529	41,491	-	172,711	163,457
Employee benefits	195,762	42,871	73,123	-	311,756	364,091
Total compensation and related expenses	1,797,113	381,293	535,562	-	2,713,968	2,622,513
Other expenses						
Cost of sales	-	521,559	-	-	521,559	554,269
Client expense	63,440	-	-	-	63,440	247,876
Insurance	33,954	22,604	13,205	-	69,763	80,921
Utilities	18,171	29,097	7,067	-	54,335	53,352
Equipment	6,506	338	-	-	6,844	36,586
Repairs and maintenance	21,977	17,123	8,546	-	47,646	50,715
Advertising	12,603	738	-	14,524	27,865	34,451
Supplies	10,147	4,250	12,028	-	26,425	25,021
Subcontractors	69,032	1,386	20,566	-	90,984	100,835
Telephone	19,009	3,742	7,067	-	29,818	27,697
Dues and subscriptions	18,674	2,692	7,373	-	28,739	24,538
Shelter	22,146	-	-	-	22,146	40,054
Staff training	26,903	363	2,415	-	29,681	21,100
Interest	1,265	-	-	-	1,265	357
Other	2,991	12,346	106	-	15,443	18,143
Professional services	29,464	3,265	(8,730)	-	23,999	23,259
Travel	81,873	-	-	-	81,873	55,480
Fundraising	-	-	-	2,501	2,501	3,658
Postage	1,900	-	739	-	2,639	3,407
Rent	167,089	563	-	-	167,652	4,487
Vehicle expense	3,055	203	-	-	3,258	-
Total other expenses before depreciation and other non-cash expenses	610,199	620,269	70,382	17,025	1,317,875	1,406,206
Depreciation and amortization	11,600	35,554	38,042	-	85,196	86,513
In-kind volunteers	-	-	2,500	-	2,500	-
Gift certificates issued to clients	-	18,345	13,916	-	32,261	31,496
Use of facility in exchange for services	-	-	114,850	-	114,850	173,459
Total non-cash expenses	11,600	53,899	169,308	-	234,807	291,468
Less cost of sales included with revenue on the statement of activities		(521,559)	-	-	(521,559)	(554,269)
Total expenses	\$ 2,418,912	\$ 533,902	\$ 775,252	\$ 17,025	\$ 3,745,091	\$ 3,765,918

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

COMMUNITY AGAINST VIOLENCE, INC.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2025, With Comparative Totals for 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Cash received from:		
Donations and fundraising activities	\$ 201,449	\$ 592,726
Grants and contracts	2,952,903	2,942,332
Thrift store sales	615,090	540,932
Other revenue	1,274	12,373
Interest and investment income (loss)	113,783	76,418
Cash paid to:		
Employees, vendors and suppliers	(3,557,315)	(3,530,997)
Interest expense	(1,265)	-
Net cash provided by operating activities	<u>325,919</u>	<u>633,784</u>
Cash Flows From Investing Activities		
Purchases of investments and transfers	(510,515)	(105,282)
Proceeds from sale of investments	646,992	262,170
Increase in beneficial interest in community foundation assets	(1,199)	7,548
Purchase of property and equipment	(22,964)	(33,175)
Net cash provided (used) by investing activities	<u>112,314</u>	<u>131,261</u>
Cash flows from financing activities		
Payments of long-term debt	-	(207,147)
Net cash used by financing activities	<u>-</u>	<u>(207,147)</u>
Net change in cash and cash equivalents	438,233	557,898
Cash and cash equivalents, beginning of year	<u>1,369,684</u>	<u>811,786</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,807,917</u></u>	<u><u>\$ 1,369,684</u></u>
Reconciliation of change in net assets to net cash provided (used) by operating activities		
Change in net assets	\$ 203,746	\$ 418,997
Adjustment of donated inventory	-	4,283
Depreciation and amortization	85,196	86,513
Realized and unrealized (gains) and losses	(26,060)	(11,686)
(Increases) decreases in operating assets:		
(Increase) decrease in accounts receivable	53,012	143,253
(Increase) decrease in prepaid expenses	1,124	(6,713)
(Increase) decrease in right-to-use leased asset	5,800	(27,550)
Increases (decreases) in operating liabilities		
Increase (decrease) in accounts payable	11,970	(12,973)
Increase (decrease) in accrued payroll liabilities	(3,009)	14,193
Increase (decrease) in other liabilities	(561)	5,299
Increase (decrease) in lease liability	(5,299)	27,716
Net cash provided (used) by operating activities	<u><u>\$ 325,919</u></u>	<u><u>\$ 641,332</u></u>
Supplemental cash flow data		
Gift certificates issued to clients	\$ 32,261	\$ 31,496
Use of facility in exchange for services	114,850	137,121
In-kind thrift store donations	615,090	540,932
Total non-cash items	<u><u>\$ 762,201</u></u>	<u><u>\$ 709,549</u></u>

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

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2025, With Comparative Totals for 2024

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.
- **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.

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2025, With Comparative Totals for 2024

NOTE 1 – ORGANIZATION – CONTINUED

- **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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2025, With Comparative Totals for 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 two classes of net assets, net assets without donor restrictions, and net assets with donor restrictions.

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.

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.

Cash, Restricted 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. 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.

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 revenue without donor restrictions and other support.

Grants Receivable. Grant receivables represent the amount expended during the grant period but reimbursed by the grantor after fiscal year-end. Management considers grants receivable to be fully collectible. Accordingly, no allowance has been provided for uncollectible accounts.

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2025, With Comparative Totals for 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and Equipment. Acquisitions of property and equipment of \$3,000 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

Depreciation expense for the years ended June 30, 2025 and 2024 was \$79,396 and \$85,063, respectively.

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. In addition, CAV purchases some items for resale that are carried at cost.

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”.

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:

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2025, With Comparative Totals for 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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.

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

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, 2025, CAV had no uncertain tax positions. CAV's open audit periods are 2021 to 2024.

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2025, With Comparative Totals for 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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.

Prior Year Comparative Totals. The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CAV's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Reclassifications. Certain reclassifications may have been made to the 2024 summarized financial statements information to conform to the current year presentation.

NOTE 3 – CASH, RESTRICTED CASH, AND CASH EQUIVALENTS

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

	<u>2025</u>	<u>2024</u>
Hillcrest Bank	\$ 1,461,342	\$ 1,106,719
Nusenda Credit Union	267,335	261,710
Guadalupe Credit Union	1,672	300
Centinel Bank	76,379	-
Cash on account at other financial institutiona	339	-
Petty cash	850	850
Total cash	<u><u>\$ 1,807,917</u></u>	<u><u>\$ 1,369,579</u></u>

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2025, With Comparative Totals for 2024

NOTE 3 – CASH, RESTRICTED CASH, AND CASH EQUIVALENTS - CONTINUED

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

	<u>2025</u>	<u>2024</u>
Restricted cash	<u>\$ 4,500</u>	<u>\$ 33,245</u>

NOTE 4 – INVESTMENTS

The costs and carrying values of investments as of June 30, 2025 are as follows:

	<u>2025</u>		
	<u>Cost</u>	<u>Fair Value Adjustment</u>	<u>Carrying Value</u>
FDIC insured cash equivalents	\$ 1,105,324	\$ -	\$ 1,105,324
Cash and cash equivalents	3,202	-	3,202
Stocks and ETFs	<u>472,402</u>	<u>43,549</u>	<u>515,951</u>
Total investments	<u>\$ 1,580,928</u>	<u>\$ 43,549</u>	<u>\$ 1,624,477</u>

The costs and carrying values of investments as of June 30, 2024 are as follows:

	<u>2024</u>		
	<u>Cost</u>	<u>Fair Value Adjustment</u>	<u>Carrying Value</u>
FDIC insured cash equivalents	\$ 820,643	\$ -	\$ 820,643
Cash and cash equivalents	442,408	\$ -	442,408
Stocks and ETFs	<u>435,778</u>	<u>44,602</u>	<u>480,380</u>
Total investments	<u>\$ 1,698,829</u>	<u>\$ 44,602</u>	<u>\$ 1,743,431</u>

For the years ending June 30, 2025 and 2024, unrealized gains (losses) on investments were (\$4,476) and \$33,375, respectively.

NOTE 5 – 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.

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.

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2025, With Comparative Totals for 2024

NOTE 5 – FAIR VALUE OF ASSETS AND LIABILITIES - CONTINUED

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, 2025 or 2024.

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, 2025 and 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments - June 30, 2024	\$ 778,632	\$ 845,845	\$ -
Investments - June 30, 2023	\$ 1,743,431	\$ 39,676	\$ -

NOTE 6 – BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

CAV opened a board-designated endowment fund in 2023 with Taos Community Foundation (TCF) to be used for various charitable, scientific or educational purposes of CAV. In addition, the Santa Fe Community Foundation (SFCF) holds money for the benefit of CAV in a perpetually restricted endowment fund.

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2025, With Comparative Totals for 2024

NOTE 6 – BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION - CONTINUED

The SFCF 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.”

Changes in beneficial interest in assets held by third party are as follows:

	2025			2024
	SFCF	TCF	Total	Total
Beginning balance	\$ 13,027	\$ 26,648	\$ 39,675	\$ 32,128
Additions				
Contributions	-	253	253	100
Net earnings	1,386	2,943	4,329	8,041
Total additions	1,386	3,196	4,582	8,141
Withdrawals				
Distributions	-	-	-	-
Fees	(186)	(458)	(644)	(593)
Grants distributed	-	-	-	-
Total withdrawals	(186)	(458)	(644)	(593)
Ending balance	<u>\$ 14,227</u>	<u>\$ 29,386</u>	<u>\$ 43,613</u>	<u>\$ 39,676</u>

NOTE 7 – LEASE

CAV implemented Accounting Standards Update (ASU) No. 2016-02 *Leases* for the year ending June 30, 2023. The ASU requires long-term leases to be accounted for as a right-of-use asset and corresponding lease liability for the present value of future lease payments. Rental payments under a lease are allocated between interest expense and principal (reducing the lease liability).

The Center leases printers under a non-cancelable multi-year lease agreement. The lease term expires on March 11, 2029. Lease payments are \$541 per month for the life of the lease. Total lease costs for the years ending June 30, 2025 and 2024 were \$6,492 and \$1,623, respectively.

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2025, With Comparative Totals for 2024

NOTE 7 – LEASE – CONTINUED

The following table summarizes supplemental cash flow information for the year ended June 30, 2025:

Year Ending	Minimum Lease Payments
June 30, 2026	6,492
June 30, 2027	6,492
June 20, 2028	6,492
June 30, 2029	4,869
Total payments	24,345
Less interest	(1,928)
Present value of lease liabilities	\$ 22,417

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

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

Grantor	2024	Restricted Donations	Restrictions Released	2025	Time/purpose
Robert T. Keeler Foundation	\$ 25,000	\$ -	\$ (25,000)	\$ -	Time restricted
TCF-Taos Recovery	5,000	-	(5,000)	-	Thrift Store resources for families impacted by storm
Chevron	84	-	(84)	-	Time restricted
Treichsmann Foundation	161	-	(161)	-	Employee wellness initiative
Cothes helping kids	3,000	4,500	(3,000)	4,500	Helping clients experiencing economic difficulties
Total donor restricted	<u>\$ 33,245</u>	<u>\$ 4,500</u>	<u>\$ (33,245)</u>	<u>\$ 4,500</u>	

NOTE 9 - 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 years ended June 30, 2025 and 2024 was \$50,370 and \$73,063, respectively.

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2025, With Comparative Totals for 2024

NOTE 10 – 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 11 - LIQUIDITY AND AVAILABILITY

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

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,807,917	\$ 1,369,684
Grants receivable	321,899	374,911
Investments (undesignated)	<u>1,624,477</u>	<u>919,388</u>
	3,754,293	2,663,983
Donor restricted amounts:		
Net assets with donor restrictions	4,500	33,245
Less net assets with purpose and time restriction to be met in less than one year	<u>(4,500)</u>	<u>(33,245)</u>
	<u>\$ 3,754,293</u>	<u>\$ 2,663,983</u>

NOTE 12 – FUNCTIONALIZED EXPENSES

The costs of providing the various programs and other activities of CAV have been summarized on a functional basis in the consolidated statements of functional expenses. Salary and other personnel costs that are not directly coded to a programmatic activity are allocated based on time certifications and the best estimate of employees. Building maintenance, and depreciation expenses are allocated among the programs and supporting services benefited. Other operating costs are allocated using various allocation methodologies including allocations based on personnel, square footage, or revenue generated.

NOTE 13 - 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.

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2025, With Comparative Totals for 2024

NOTE 13 - CONCENTRATIONS OF CREDIT, MARKET AND BUSINESS RISK - CONTINUED

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 14 – DONATED USE OF FACILITY AND IN-KIND DONATIONS

Use of Facility. CAV provides crucial services to the Town of Taos and surrounding community and in exchange for those services, the Town of Taos provides a facility for CAV's program activities and administration. The in-kind revenue and expense recognized in the financial statements is calculated based on market rental values of similar commercial buildings in the Taos, New Mexico area.

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

Type	2025	2024	Usage in Programs/Activities	Donor Restriction	Fair Value Technique
Thrift store donations	\$ 615,090	\$ 540,932		None	Value at time of sale
Exchange of services for use of facility	114,850	173,459	CAV's administration and program activities	None	Professional appraisal
In-kind volunteer services	2,500	-		None	Market rate for similar work
	<u>\$ 732,440</u>	<u>\$ 714,391</u>			

NOTE 15 - 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.

COMMUNITY AGAINST VIOLENCE
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year Ended June 30, 2025, With Comparative Totals for 2024

NOTE 16 – 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 April 7, 2026, the date the financial statements were available for management's review.

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, (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, 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 April 7, 2026.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Community Against Violence'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'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. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-001 and 2025-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Against Violence'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

April 7, 2026

COMMUNITY AGAINST VIOLENCE, INC.
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2025

A. SUMMARY OF AUDITOR RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? No

B. CURRENT YEAR FINDINGS

2025-001 Depreciation Schedule Not Reconciled to the General Ledger
2025-002 Expenses Were not Properly Allocated

C. PRIOR YEAR FINDINGS

None.

COMMUNITY AGAINST VIOLENCE, INC.
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED

June 30, 2025

2025-001 Depreciation Schedule Not Reconciled to the General Ledger (significant deficiency)

Condition: The depreciation schedule provided by CAV was not accurate and did not agree to the balances on the general ledger.

Criteria: Standard internal control practices should ensure that supporting schedules are reconciled to the general ledger so that the schedule supports the recorded balances.

Cause: A fixed asset inventory was not performed. CAV did not follow their fixed asset policy for capitalization of fixed assets that have an original cost of \$3,000 or value at time of donation or more.

Effect: Balances reported to the board and grantors may not be accurate. Fixed assets are susceptible to theft if not accounted for properly and periodically inventoried.

Recommendation: The organization should follow their capitalization policy or reassess their policy if the policy is no longer appropriate. An annual inventory should be performed on or near their balance sheet date of June 30. The inventory should be reconciled to the existing fixed asset list/depreciation schedule after the inventory is complete.

Agency Response: The Finance Director and Executive Director reviewed the capitalization policy and will enlist the Operations Director to manage all inventory lists for the agency and the Finance Director will calculate the appropriate depreciation schedule per the organization's policy.

COMMUNITY AGAINST VIOLENCE, INC.
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED

June 30, 2025

2025-002 Expenses Were Not Allocated Properly (significant deficiency)

Condition: CAV did not record functional expense allocations properly. Expenses were not allocated between program, general administrative, and fundraising during the fiscal year. Instead they were allocated after year-end based on percentages.

Criteria: Generally accepted accounting principles (GAAP) require expenses to be allocated on a reasonable and consistent basis. GAAP requires expense allocations to be applied at the line item level, meaning each expense should be analyzed and a reasonable base such as payroll costs, or area benefitted, should be developed. These allocations should be applied at the time the expense is incurred, not after the fact.

Cause: At the time the expenses were incurred, CAV allocated expenses based on whether the expense is directly chargeable to a grantor. Expenses that were eligible for reimbursement were allocated to program expenses instead of allocating based on which function (program, administrative or fundraising) directly benefitted from the expense.

Effect: Financial reporting to the board and grantors was inaccurate. Allocations were completed after year-end rather than at the time the expense was incurred.

Recommendation: CAV should determine how expenses will be allocated prior to approving the annual budget. When each expense is incurred, the appropriate allocation should be entered into QuickBooks by using classes. Allocations should be reviewed and updated by management on an ongoing basis as conditions and circumstances change.

Agency Response: The Finance Director will at fiscal year end, conduct a Journal Entry that classifies Program, Administrative, Thrift Store, and Fundraising Expenses appropriately in our accounting system. The Finance Director will review and update these allocations on a quarterly basis moving forward.