

CAVERN CITY CHILD ADVOCACY CENTER

Audit Report
For the Year Ended June 30, 2021

John J. Schonberger Jr., CPA
Certified Public Accountant
Clovis, New Mexico

Cavern City Child Advocacy Center
Table of Contents
June 30, 2021

	Page
Official Roster	1
Independent Auditor's Report	2-4
Financial Section:	
Statement of Financial Position	5
Statement of Activities and Changes in Net Assets	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements	9 -11
Independent Audit's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	12 -13
Schedule of Findings and Questioned Costs	14

CAVERN CITY CHILD ADVOCACY CENTER
Official Roster
June 30, 2021

BOARD MEMBER

Mike Walker	President
Matt Hutchinson	Vice President
Rick Lopez	Treasurer
Misty Carrasco	Secretary
Becky Cousins	Member
Shane Skinner	Member

ADIMINISTRATION

Zelma Lopez	Director
-------------	----------

JOHN J. SCHONBERGER, JR.
Certified Public Accountant

Member of American Institute
And Texas Society of
Certified Public Accountants

520 Pile Street
Clovis, NM 88101
(575) 762-2495
Fax (575) 763-8678

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cavern City Child Advocacy Center
Clovis, NM 88101

Opinion

We have audited the accompanying financial statements of Cavern City Child Advocacy Center Organization (a nonprofit organization) which comprise the statement of financial position as of June 30, 2021, 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 Cavern City Child Advocacy Center as of June 30, 2021, 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 for Opinion

We conducted our audit in accordance with accounting principles generally accepted in the United States of America. 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 Cavern City Child Advocacy Center 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Cavern City Child Advocacy.

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 Cavern City Child Advocacy Center Organization'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 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, a 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.

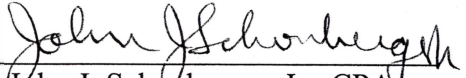
In performing a audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of 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 Cavern City Child Advocacy Center Organization'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 Cavern City Child Advocacy Center Organization'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021, on our consideration of Cavern City Child Advocacy Center'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 the Cavern City Child Advocacy'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 Cavern City Child Advocacy Center's internal control over financial reporting and compliance.



John J. Schonberger, Jr., CPA

Clovis, New Mexico
November 19, 2021

CAVERN CITY CHILD ADVOCACY CENTER
Statement of Financial Position
June 30, 2021

ASSETS

Current Assets:

Cash on Hand and in Banks	\$	96,729
Due from City of Carlsbad		10,000
Due from CYFD - CAC Grant		17,704
Due from CYFC - Leg Funds		6,603
Due from CYFD FIFAS		-
Due from CJRRG		21,000
Due from. Eddy County		7,500
Due from STOP VAWA		3,790
Due from NMCA		1,208
Due from VOCA		139,903
Due from BCP Grant		159,852
Due from NCA		3,250
Total Current Assets		467,538

Fixed Buildings		100,362
Vehicles		27,574
Furniture and Equipment		51,136
Less: accumulated depreciation		(77,887)
Net Fixed Assets		101,185
Total Assets	\$	568,724

AND NET ASSETS

Current Liabilities:

Payroll liabilities	\$	4,751
Payroll Protection Plan Loan		20,000
Total Current Liabilities		24,751

Total Liabilities 24,751

Net Assets: Without Donor Restrictions 543,972

Total liabilities and net assets \$ 568,724

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

CAVERN CITY CHILD ADVOCACY CENTER
Statement of Activities and Changes in Net Assets (Unrestricted)
For the Year Ended June 30, 2021

	Without Donor Restrictions	Total
Support and Revenues:		
Grants and contracts	\$ 773,904	\$ 773,904
Contributions	12,203	12,203
Fundraising	40,353	40,353
Program Income	-	0
Miscellaneous	11,778	11,778
Total Revenue	838,238	838,238
Expenses:		
Program services:	711,468	711,468
Management and general	79,052	79,052
Total Expenses	790,520	790,520
Change in Net Assets	47,718	47,718
Net Assets - Beginning of Year	431,916	431,916
Prior Period Adjustments	64,338	64,338
Net Assets - Beginning of Year - Restated	496,254	496,254
Net Assets - End of Year	\$ 543,972.39	\$ 543,972.39

The accompanying notes are an integral part of these financial statements

CAVERN CITY CHILD ADVOCACY CENTER
Statement of Functional Expenses
For the Year Ended June 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Totals</u>
FUNCTIONAL EXPENSES:			
Salaries and wages	\$ 442,662	\$ 49,185	\$ 491,847
Payroll taxes and benefits	45,047	5,005	50,052
Victim Services	1,750	194	1,945
Travel	17,641	1,960	19,601
Insurance	14,483	1,609	16,092
Telephone	-	-	0
Utilities	11,492	1,277	12,769
Supplies	61,015	6,779	67,794
Repairs	1,031	115	1,146
Postage	488	54	542
Professional fees	6,432	715	7,147
Property Tax	963	107	1,070
Dues, subscription and books	8,924	992	9,916
Contractual Services	14,883	1,654	16,536
Board and Volunteer development	10,334	1,148	11,482
Marketing & Info Materials	5,487	610	6,097
Foundry Home Expenses	16,825	1,869	18,695
Miscellaneous	40,785	4,532	45,317
Depreciation	11,225	1,247	12,473
Total functional expenses	<u>\$ 711,468</u>	<u>\$ 79,052</u>	<u>\$ 790,520</u>

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

CAVERN CITY CHILD ADVOCACY CENTER
Statement of Cash Flows
Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase (decrease) in net assets	\$ 47,718
Adjustment to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	12,473
Prior Period Adjustment	57,521
(Increase) decrease in operating assets	
Grants and contracts receivables	(262,060)
Increase (decrease) in operating liabilities	
Payroll liabilities	4,568
Accounts Payable	
Net cash provided in Operating Activities	(139,780)
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of fixed assets	9,337
Net cash used by investing activities	9,337
Net decrease in cash and cash equivalents	(130,443)
Cash:	
Beginning of Year	227,172
End of Year	\$ 96,729

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

Cavern City Child Advocacy Center
Notes to Financial Statements
For the Year Ended June 30, 2021

1. Nature of Business and Significant Accounting Policies

A. Nature of Activities

Cavern City Child Advocacy Center (the Organization) operates a facility for the benefit of abused children. The program was established to provide a home environment in which child abuse victims of sexual abuse can be interviewed within a caring, sheltering and protecting atmosphere.

B. Basis of Accounting

The accompanying financial statements of Cavern City Child Advocacy Center have been prepared on the accrual basis of accounting, and in accordance with generally accepted accounting principles as promulgated by the American Institute of Certified Public accountants.

C. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and accordingly reflect all significant receivables, payables and other liabilities. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions

D. Contributions

In accordance with SFAS No. 116, contributions received are recorded based on the existence or absence as donor-imposed restrictions. The Organization had no donor-imposed restrictions of net assets at June 30, 2021.

E. Donated Furniture and Equipment

Donations of property and equipment are recorded as support at their estimated fair value if there is an objective, measurable basis for determining fair value. Such donations are reported as unrestricted support unless the donor places a restriction on the donated assets for a specific purpose. The Organization has adopted a policy of not implying a time restriction on donated long-lived assets and will record such donations as unrestricted net assets. Furniture, fixtures and equipment are depreciated using the straight-line method.

Cavern City Child Advocacy Center
Notes to Financial Statements (cont.)
For the Year Ended June 30, 2021

1. Nature of Business and Significant Accounting Policies (cont.)

F. Income Tax Status

The Cavern City Child Advocacy Center has been classified as an exempt organization under the Internal Revenue Code Section 501(c) (3), and therefore, is not subject to federal income taxes.

G. Estimates

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

H. Property and Equipment

It is the Organizations policy to capitalize property and equipment over \$500.00. Lesser amounts are expensed. Property and equipment are valued at historical cost and donated assets, if any, are valued at their estimated fair market value on the date donated. Depreciation is computed on the straight-line basis over the estimated useful lives of five to twenty five years.

I. Cash & Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

H. Uncertain Tax Positions

On January 1, 2009, the Organization adopted the “uncertain tax positions” provisions of accounting principles generally accepted in the United State of America. The primary tax position of the Organization is its filing status as a tax exempt entity. The Organization determined that it is more likely than not that their tax positions will be sustained upon examination by the Internal Revenue Service (IRS), or other State taxing authority and that all tax benefits are likely to be realized upon settlement with taxing authorities.

The Organization files a 990-EZ Short Form Return of Organization Exempt From Income Tax in the U.S. federal jurisdiction. The Organization is no longer subject to U.S. federal and state income tax examinations by federal taxing authorities.

For the Year Ended June 30, 2021

The Organization recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. There were no penalties or interest recognized during the year ended June 30, 2021.

2. Retirement – IRA

The organization offers salaried (half, three quarters, and full time) employees and IRA benefit equal to three percent of their salary. IRA benefits may be made directly to the employee's IRA company of choice or to the employee with the intention that the employee will apply the full amount to an IRA plan of their choice. IRA payments are to be made quarterly on the last day of the following months: March, June, September, and December.

3 Concentration of Credit Risk

CAC maintains one bank account at an institution insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at this institution did not exceed federally insured limits. The amounts in the bank at June 30, 2021 were under the FDIC limit.

4. Subsequent Events

The Organization has evaluated subsequent events through November 19, 2021, the date which the financial statements were available to be issued.

5. Prior Period Adjustment (PPA)

\$64,338.27 is the total amount of the PPA. The following is the composition of this amount.

\$84,800.78 represents an amount received in current year which is attributed to the prior year for the VOCA grant.

\$137.49 represents an amount received in current year which is attributed to the prior year for United Way of Eddy County.

(\$200,600.00) represents an amount received in current year not recorded in prior year for SWAG funds.

JOHN J. SCHONBERGER, JR.
Certified Public Accountant

Member of the American Institute
And Texas Society of
Certified Public Accountants

520 Pile Street
Clovis, NM 88101
(575) 762-2495
Fax (575) 763-8678

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
Cavern City Child Advocacy Center.
Clovis, NM 88101

We have audited, 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, the financial statements of Cavern City Child Advocacy Center (a nonprofit organization) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cavern City Child Advocacy Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Cavern City Child Advocacy Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

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

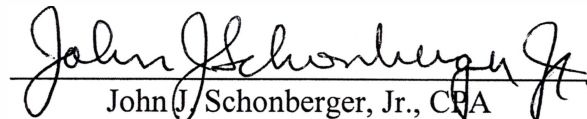
weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cavern City Child Advocacy Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


John J. Schonberger, Jr., CPA

Clovis, New Mexico
November 19, 2021

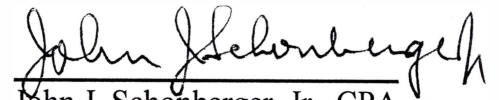
Cavern City Child Advocacy Center
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

PRIOR AUDIT FINDINGS

None.

CURRENT AUDIT FINDINGS

None.


John J. Schönberger, Jr., CPA

November 19, 2021
Clovis, New Mexico