



Communities Overcoming Violent Encounters

**Communities Overcoming Violent Encounters, Inc.**

**Financial Statements**

**For the Years Ended  
September 30, 2021 and 2020**



**COMPANIES**

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# COMMUNITIES OVERCOMING VIOLENT ENCOUNTERS, INC.

## FINANCIAL STATEMENTS

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## INDEPENDENT AUDITOR'S REPORT

March 22, 2022

Board of Directors  
Communities Overcoming Violent Encounters, Inc.  
Ludington, Michigan

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

We have audited the accompanying financial statements of Communities Overcoming Violent Encounters, Inc. (a Michigan nonprofit corporation), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Communities Overcoming Violent Encounters, Inc. as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note P to the financial statements, in 2021, the Organization adopted new accounting guidance, FASB ASU No. 2014-09 (Topic 606) Revenue from Contracts with Customers and FASB ASU No. 2018-08 Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions made. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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 is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 March 22, 2022 on our consideration of Communities Overcoming Violent Encounters, Inc.'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 Communities Overcoming Violent Encounters, Inc.'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 Communities Overcoming Violent Encounters, Inc.'s internal control over financial reporting and compliance.

Respectfully submitted,

*H&S Companies, P.C.*

H&S Companies, P.C.  
Certified Public Accountants  
Reed City, MI

**Communities Overcoming Violent Encounters, Inc.**  
**Statements of Financial Position**  
**September 30,**

**Assets**

	<b>2021</b>	<b>2020</b>
<b>Current Assets</b>		
Cash	\$ 229,657	\$ 241,046
Grants receivable	92,691	66,919
Prepaid expenses	8,315	5,760
Total current assets	330,663	313,725
<b>Noncurrent Assets</b>		
Land, building and equipment, net	1,674,800	1,732,280
Intangible assets, net	455	2,274
Beneficial interests in assets held by others	9,109	7,698
Total noncurrent assets	1,684,364	1,742,252
<b>Total Assets</b>	<b>\$ 2,015,027</b>	<b>\$ 2,055,977</b>

**Liabilities and Net Assets**

<b>Liabilities</b>		
Accounts payable	\$ 33,063	\$ 15,717
Accrued liabilities	17,073	15,761
Capital lease	2,032	3,762
Deposits held for others	370	370
Paycheck protection program loan	-	107,272
Total current liabilities	52,538	142,882
<b>Net Assets</b>		
Without donor restrictions	1,957,027	1,906,154
With donor restrictions	5,462	6,941
Total net assets	1,962,489	1,913,095
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,015,027</b>	<b>\$ 2,055,977</b>

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

**Communities Overcoming Violent Encounters, Inc.**  
**Statements of Activities**  
**For the Years Ended September 30,**

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
<b>Public Support and other revenues:</b>						
<b>Public support:</b>						
Grants and awards:						
Federal Grants	\$ 762,744	\$ -	\$ 762,744	\$ 633,781	\$ -	\$ 633,781
State Grants	56,411	-	56,411	41,201	-	41,201
Local Grants	-	16,045	16,045	-	3,739	3,739
Pledges and Contributions	173,188	-	173,188	145,763	-	145,763
Special events, net of direct benefits of \$1,772 and \$5,244	43,766	-	43,766	57,229	-	57,229
Interest income	367	-	367	550	-	550
Payroll Protection Program Forgiveness	107,272	-	107,272	-	-	-
Miscellaneous	508	-	508	10,468	-	10,468
<b>Total Public Support</b>	1,144,256	16,045	1,160,301	888,992	3,739	892,731
<b>Nonoperating revenues:</b>						
Gain from beneficial interest in assets	1,411	-	1,411	382	-	382
<b>Net assets released from restrictions:</b>						
Expiration of purpose restrictions	17,524	(17,524)	-	14,784	(14,784)	-
<b>Total other revenue</b>	18,935	(17,524)	1,411	15,166	(14,784)	382
<b>Total public support and other revenues</b>	1,163,191	(1,479)	1,161,712	904,158	(11,045)	893,113
<b>Expenses:</b>						
Program Services:						
Domestic Violence	683,627	-	683,627	638,238	-	638,238
Sexual Assault	137,662	-	137,662	101,507	-	101,507
Supporting Services:						
Management and General	279,011	-	279,011	274,133	-	274,133
Fundraising	12,018	-	12,018	6,142	-	6,142
<b>Total Expenses</b>	1,112,318	-	1,112,318	1,020,020	-	1,020,020
<b>Net Increase (Decrease) in Net Assets</b>	50,873	(1,479)	49,394	(115,862)	(11,045)	(126,907)
<b>NET ASSETS - BEGINNING OF YEAR</b>	1,906,154	6,941	1,913,095	2,022,016	17,986	2,040,002
<b>NET ASSETS - END OF YEAR</b>	\$ 1,957,027	\$ 5,462	\$ 1,962,489	\$ 1,906,154	\$ 6,941	\$ 1,913,095

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

**Communities Overcoming Violent Encounters, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended September 30, 2021**

	<u>PROGRAM SERVICES</u>		<u>SUPPORTING SERVICES</u>		<u>Total</u>
	<u>Domestic Violence</u>	<u>Sexual Assault</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and wages	\$ 409,232	\$ 78,900	\$ 150,900	\$ -	\$ 639,032
Fringe benefits:					
Payroll Taxes	31,889	4,832	10,838	-	47,559
Group and workers' compensation insurance	62,918	11,380	21,827	-	96,125
IRA Contributions	10,058	230	2,888	-	13,176
Total salaries and wages and fringe benefits	514,097	95,342	186,453	-	795,892
Advertising	1,588	-	-	667	2,255
Conferences and travel	6,299	811	755	-	7,865
Contracted services and professional fees	357	18,356	16,143	-	34,856
Depreciation and amortization	53,635	6,744	23,919	-	84,298
Dues and subscriptions	986	160	1,107	100	2,353
Equipment:					
Equipment Rent	-	-	2,212	-	2,212
Equipment Repairs and Maintenance	3,341	-	7,813	-	11,154
Equipment Small Purchases	-	-	962	-	962
Occupancy:					
Rent	3,973	89	1,477	-	5,539
Insurance	237	3,110	11,153	-	14,500
Telephone	12,532	1,915	4,394	412	19,253
Utilities	14,036	1,813	8,945	320	25,114
Office Expense	3,656	319	517	6,748	11,240
Other	4,240	2,111	517	1,350	8,218
Professional liability insurance	-	-	398	-	398
Specific assistance	23,065	2,465	-	-	25,530
Supplies	39,532	3,407	12,246	2,421	57,606
Transportation	2,053	1,020	-	-	3,073
Total	<u>\$ 683,627</u>	<u>\$ 137,662</u>	<u>\$ 279,011</u>	<u>\$ 12,018</u>	<u>\$ 1,112,318</u>

The accompanying notes are an integral part of these financial statements

**Communities Overcoming Violent Encounters, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended September 30, 2020**

	<u>PROGRAM SERVICES</u>		<u>SUPPORTING SERVICES</u>		<u>Total</u>
	<u>Domestic Violence</u>	<u>Sexual Assault</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and wages	\$ 383,523	\$ 55,319	\$ 170,659	\$ -	\$ 609,501
Fringe benefits:					
Payroll Taxes	30,748	4,236	11,103	-	46,087
Group and workers' compensation insurance	41,806	2,423	17,586	-	61,815
IRA Contributions	7,294	-	2,738	-	10,032
Total salaries and wages and fringe benefits	463,371	61,978	202,086	-	727,435
Advertising	3,934	2,221	-	810	6,965
Conferences and travel	1,809	1,294	301	94	3,498
Contracted services and professional fees	2,250	14,875	14,950	-	32,075
Depreciation and amortization	53,633	6,742	23,917	-	84,292
Dues and subscriptions	1,293	427	1,383	-	3,103
Equipment:					
Equipment Rent	-	117	917	-	1,034
Equipment Repairs and Maintenance	7,050	-	1,304	-	8,354
Equipment Small Purchases	1,441	-	703	-	2,144
Occupancy:					
Rent	6,283	-	-	-	6,283
Insurance	7,818	-	10,912	-	18,730
Office Repairs and Maintenance	-	-	1,415	-	1,415
Telephone	11,474	2,419	3,427	-	17,320
Utilities	22,774	1,315	4,130	58	28,277
Office Expense	818	281	142	3,696	4,937
Other	13,249	1,762	3,579	484	19,074
Professional liability insurance	-	-	1,303	-	1,303
Specific assistance	10,720	1,447	22	-	12,189
Supplies	28,211	5,767	3,642	1,000	38,620
Transportation	2,110	862	-	-	2,972
Total	<u>\$ 638,238</u>	<u>\$ 101,507</u>	<u>\$ 274,133</u>	<u>\$ 6,142</u>	<u>\$ 1,020,020</u>

The accompanying notes are an integral part of these financial statements

**Communities Overcoming Violent Encounters, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended September 30,**

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 49,394	\$ (126,907)
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation and amortization	84,298	84,292
Loss on disposal of asset	-	-
Gain from beneficial interest in assets	(1,411)	(382)
Paycheck protection program loan forgiveness	(107,272)	-
Decrease in due to grantor obligations	-	(27,478)
(Increase) decrease in:		
Restricted cash	-	5,568
Grants receivable	(25,772)	(1,453)
Prepaid expense	(2,555)	(1,806)
Increase (decrease) in:		
Accounts payable	17,346	10,274
Accrued liabilities	1,312	(12,106)
Deposits held for others	-	(411)
Total Adjustments	(34,054)	56,498
<b>Net cash provided by (used in) operating activities</b>	<b>15,340</b>	<b>(70,409)</b>
<b>Cash flows used in investing activities</b>		
Payments for purchase of equipment	(24,999)	(6,292)
<b>Cash flows from financing activities</b>		
Principal payments under capital lease obligations	(1,730)	(1,599)
Paycheck protection program loan proceeds	-	107,272
<b>Net cash provided by (used in) financing activities</b>	<b>(1,730)</b>	<b>105,673</b>
<b>Net increase (decrease) in cash available for operations</b>	<b>(11,389)</b>	<b>28,972</b>
<b>Cash at beginning of year</b>	<b>241,046</b>	<b>212,074</b>
<b>Cash at end of year</b>	<b>\$ 229,657</b>	<b>\$ 241,046</b>
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid and expensed on capital lease	\$ 234	\$ 370

The accompanying notes are an integral part of these financial statements

**Communities Overcoming Violent Encounters, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended September 30, 2021 and 2020**

**NOTE A - NATURE OF BUSINESS**

Communities Overcoming Violent Encounters, Inc. (COVE) is a Michigan nonprofit corporation serving victims of domestic violence and sexual assault. It began in 1978 as a grass-roots volunteer program in Hart, Michigan. Today it operates out of a state-of-the-art multipurpose facility headquartered in Ludington, Michigan with satellite offices in Lake and Oceana counties. It is responsible to the Michigan Department of Health and Human Services Victims Services Division.

COVE's mission is to provide shelter, protection and advocacy to victims of domestic violence and sexual assault as well as to educate the community on the root causes of violence. Services are provided in Mason, Lake and Oceana counties to all individuals who are victims of domestic violence and/or sexual assault.

COVE is more than a building to provide emergency shelter. It's a safe place where violence and control are not present. The goal is to encourage, listen and provide advocacy and resources to both residential and non-residential clients helping them build their knowledge, courage and ability to make changes in their lives that will assist them in removing themselves and their children from violence they have experienced. COVE addresses emergency crisis, potentially life threatening situations, as well as tries to stop the cycle of violence in future generations by educating our communities. All services are free, confidential and available for victims of domestic violence and/or sexual assault 24 hours a day, 365 days a year.

COVE's primary services include:

***Domestic Violence*** programs comprised of crisis line, emergency shelter and advocacy services. COVE operates a 24 hour, 365 days a year crisis line devoted to support victims of domestic violence and sexual assault victim's emergency needs. The crisis line offers safety planning, emotional support, options for victims of domestic violence and/or sexual assault and referrals and information. The crisis line is manned by trained staff and volunteers and is typically the point of entry for other services. COVE provides a state-of-the-art emergency shelter for victims of domestic violence and sexual assault, which is open 24 hours, 365 days a year. It is the first of its kind in Michigan combining its offices and shelter set up to resemble transitional housing units. Residents have semi-private individual living quarters as opposed to traditional shelter communal living. Additionally, COVE provides legal, medical and personal Advocacy for victims of domestic violence and sexual assault for both shelter residents and non-residential clients and their children. Advocates accompany people to court, assist with housing needs, meet clients at the hospital, transport clients when needed, assist with completing Victims Compensation Forms, share knowledge about the legal process and assist in navigating the legal system. COVE Advocates provide information, knowledge, resources and options to help ensure clients can make informed decisions.

***Sexual Assault*** – Began over 40 years ago as a result of the lack of sexual assault (SA) services available, SA services are provided to survivors in Manistee, Mason, Oceana and Lake Counties. In order to support survivors in their healing process, COVE provides comprehensive SA services including:

**24 Hour Crisis Hotline:** During calls, staff listens to survivors and provide emotional support, resources, referrals and options for sexual assault survivors.

**Emergency Crisis Response:** COVE offers its own in-house SANE (Sexual Assault Nurse Examiners) unit. The self-funded SANE unit offers forensic medical exams and evidence collection within 120 hours of a sexual assault by forensically trained nurses. As the same time, a Sexual Assault Advocate walks alongside the survivor providing during forensic exams explaining the legal and medical process and coordination with police if the survivor chooses to move forward with legal reporting. SANE exams are provided free, to any survivor age 12 and above.

**Communities Overcoming Violent Encounters, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended September 30, 2021 and 2020**

**Supportive Counseling:** Professional licensed counseling is offered to survivors in both individual and support group formats. Group counseling consists of non-traditional Healing Arts activities such as painting, meditation, yoga and mindfulness. Traditional individual counseling is provided to survivors as well. Survivors gain ideas, tools and coping skills for their emotions through both individual counseling and healing arts group. The counselor safety plans weekly and addresses physical and mental health needs.

**Advocacy and Supportive Services:** Advocacy is a key component to COVE's SA services. SA Advocates offers legal, medical and personal advocacy to survivors. Advocacy may include emotional support, financial assistance, safety planning, mental health safety planning, child care, court support and coordination with external sources.

COVE has its corporate office in Ludington, Michigan, and is supported primarily through federal and state governmental grants and local contributions. A significant amount of grants and contract revenues were provided by a few major sources. It is always considered possible that projects, grantors or contributions might be lost in the near term.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

The financial statements of COVE have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**USE OF ESTIMATES**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**MEASURE OF OPERATIONS**

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to COVE's ongoing services to victims of domestic violence and sexual assault. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**FAIR VALUE MEASUREMENTS**

COVE follows FASB ASC Topic 820-20 on "*Fair Value Measurements*," which provides a framework for measuring the fair value of financial instruments under U.S. GAAP. This standard applies to all financial instruments that are being measured and reported on a fair value basis.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable.

**Communities Overcoming Violent Encounters, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended September 30, 2021 and 2020**

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

Following is a description of the valuation methodologies used for assets measured at fair value.

**Beneficial Interests in Assets Held by Others:** The assets are valued based upon COVE's allocable share of the Community Foundation of Muskegon County's (Community Foundation) pooled investment portfolio, held on behalf of the Community Foundations for Mason and Oceana Counties.

The beneficial interests in assets held by others are valued monthly by the Community Foundation and are allocated based upon each organization's calculated share of the Community Foundation's pooled investment portfolio. Each entity with an interest within the pooled investments receives a statement from the Community Foundation indicating the additions to the investment (via contributions), withdrawal from the investment (via grants), and the investment returns allocated via a unitization process. The Community Foundation calculated the fair value of COVE's beneficial interest in the pooled investment assets which it holds based on the estimated fair value of the underlying assets. The Community Foundation controls the investments and makes all management and investment decisions.

COVE's beneficial interest in assets held by others are carried at fair value based on inputs other than quoted market prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date (level 1 measurements). COVE had no assets classified as level 2 or level 3 at September 30, 2021 and 2020, respectively.

## CASH

COVE considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. The organization does not have any cash equivalents as of and for the years ended September 30, 2021 and 2020, respectively.

**Communities Overcoming Violent Encounters, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended September 30, 2021 and 2020**

RECEIVABLES

COVE provides many services to individuals that do not have the ability to pay for the services received. COVE has contracts with governmental and quasi-governmental agencies to provide payment for these services rendered, along with other performance-related objectives achieved, up to a maximum contractual dollar amount. Receivables are stated at unpaid balances, less an allowance for doubtful accounts, if applicable. There was no allowance recorded in the current or prior period. The allowance is based on experience, contract terms and other circumstances which may affect the ability of grantors to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with contractual terms. It is COVE's policy to charge off uncollectible receivables when management determines the receivable will not be collected.

PROPERTY AND EQUIPMENT

COVE capitalizes all expenditures for property and equipment in excess of \$1,000. Property and equipment are carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed on a straight-line basis over the useful lives of the respective assets.

Buildings	Up to 35 years
Equipment	Up to 15 years

Property and equipment includes assets purchased with grants when it is probable that COVE will retain title to the asset when the grants terminate. The use of such equipment is restricted to the specific grant program. Depreciation expense for the years ended September 30, 2021 and 2020 was \$82,478 and \$82,472, respectively, and is included in depreciation and amortization in the accompanying financial statements.

INTANGIBLE ASSET

COVE's intangible asset consists of a software license and is stated at historical cost net of amortization which is recorded on a straight-line basis over the three year estimated useful life of the software. Amortization expense for the years ended September 30, 2021 and 2020 was \$1,820 and \$1,820, respectively, and is included in depreciation and amortization in the accompanying financial statements.

NET ASSETS

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of COVE's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Communities Overcoming Violent Encounters, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended September 30, 2021 and 2020**

REVENUE RECOGNITION

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor imposed restrictions. Contributions that are restricted by the donor are reported as net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Donated Property and Equipment

Donations of property and equipment in excess of \$1,000 are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted support. Equipment purchased with grant funds are charged as an expense to the grant and recorded as temporarily restricted contributions when it is probable that COVE will retain title to the asset when the grant terminates.

Absent donor stipulations regarding how long those donated assets must be maintained, COVE reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. COVE reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Donated Services

COVE recognizes in-kind donated services in accordance with FASB ASC 958-605-25 which requires that only contributions which create or enhance non-financial assets, or which require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, be recorded.

The organization benefits from donated professional services from attorneys, nurses and counselors. These services were valued at \$7,643 and \$13,548 for the years ended September 30, 2021 and 2020, respectively, and have been reported as both in-kind contributions and as in-kind program services expense in the accompanying financial statements.

Matching Funds

Various grants and contracts are funded at less than 100% of the project's total forecasted expenditures, with the difference being COVE's responsibility. These additional funds, or matching funds, may be comprised of third-party contributions, valuation of donated services and goods or program income unique to that grant. Additionally, other COVE non-federal grants and projects may be used to fulfill the matching requirement, as approved by the original funding source. Other COVE non-federal program activities used for matching requirement are reported to federal funding source as revenues and expenditures. These financial statements include only externally generated matching funds.

**Communities Overcoming Violent Encounters, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended September 30, 2021 and 2020**

**FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been charged directly to program and supporting services whereas others have been allocated among the program and supporting services based on the ratio of hours worked on each program or supporting service in relation to the total of such hours worked.

During the years ended September 30, 2021 and 2020, respectively, funding sources allowed for \$72,134 and \$60,573 of indirect expenses. These interdepartmental expenses have been eliminated from the accompanying financial statements.

**INCOME TAXES**

COVE is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to COVE's tax-exempt purpose is subject to taxation as unrelated business income, if applicable. In addition, COVE qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). COVE is also exempt from Michigan corporate income tax.

**SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for, and disclosure of, transactions and events that affect the financial statements. Subsequent events have been evaluated through March 22, 2022, which is the date the financial statements were readily available to be issued.

**NOTE C – AVAILABILITY AND LIQUIDITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of statement of financial position date comprise the following:

Cash	\$ 229,657
Grants receivable	<u>92,691</u>
	<u>\$ 322,348</u>

Any cash determined to be in excess of COVE's current operating needs can be invested in accordance to the established investment policy. The investment objectives of COVE, in order of importance, are safety of principal, liquidity, and a competitive rate of return.

**NOTE D – CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject COVE to concentrations of credit risk consist principally of temporary cash investments and grants receivable. COVE manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit, as applicable, with financial institutions believed by management to be creditworthy. All of the organization's cash consists of demand deposits with a financial institution and is insured by the Federal Deposit Insurance Corporation (FDIC) as of September 30, 2021 and 2020, respectively.

**Communities Overcoming Violent Encounters, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended September 30, 2021 and 2020**

A substantial amount of COVE's grants receivable and revenues are a result of funding directly with or flowing through the State of Michigan. At September 30, 2021 and 2020, 100% and 99.7%, respectively, of COVE's grants receivable balance is from the State of Michigan. For the years ended September 30, 2021 and 2020, COVE's percentage of revenues directly or flow through from the State of Michigan was 66.4% and 75.6%, respectively.

**NOTE E – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

**The Funds**

COVE has one fund with the Community Foundation for Mason County and one fund with the Community Foundation for Oceana County. Both of these funds are administered by the Community Foundation for Muskegon County (Community Foundation).

***Endowment Fund***

The Friends of Women's Fund was established in 2001 by COVE as an endowment fund to support operations and activities. In 2015, the agreement was amended, and the name of the fund was changed to the COVE Mason Endowment Fund. The agreement with the Community Foundation allows the use of the fund's spendable income for COVE's operations. The COVE Oceana Endowment Fund was established in 2015 to support operations and activities. The agreement with the Community Foundation allows the use of the fund's spendable income for COVE's operations.

The Community Foundation invests the majority of contributions to the endowment fund in various types of marketable equity and debt securities, U.S. Treasuries, commercial paper, and certificates of deposit. The majority of investments are uninsured and uncollateralized. The non-endowed funds are invested in money market funds.

**Reporting of the Assets of the Fund**

The investments held at the Community Foundation in the COVE Mason and Oceana Endowment Funds which were contributed by COVE, are reported at fair value as net assets of COVE. The contributions to these funds made by third party donors directly to the Community Foundation have been excluded from the net assets of COVE.

*This section intentionally left blank.*

**Communities Overcoming Violent Encounters, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended September 30, 2021 and 2020**

**Summary of Community Foundation Funds**

A summary of revenues, expenses, and changes in the net assets at fair value of the funds for the years ended September 30, 2021 and 2020, respectively, follows:

	<u>2021</u>		<u>2020</u>	
	COVE Mason Endowment Fund	COVE Oceana Endowment Fund	COVE Mason Endowment Fund	COVE Oceana Endowment Fund
Revenues				
Contributions	\$ 25,480	\$ 175	\$ 10,400	\$ 10,000
Dividends and interest	1,928	1,214	1,636	1,183
Realized and unrealized gains on investments	14,619	9,675	4,096	2,982
	<u>42,027</u>	<u>11,064</u>	<u>16,132</u>	<u>14,165</u>
Expenses				
Investment and management fees	<u>666</u>	<u>697</u>	<u>626</u>	<u>463</u>
Changed in net assets	41,361	10,367	15,506	13,702
Net assets at beginning of year	<u>77,554</u>	<u>53,965</u>	<u>62,048</u>	<u>40,263</u>
Net assets at end of year	118,915	64,332	77,554	53,965
Less assets recorded as those of the Community Foundation	<u>(109,806)</u>	<u>(64,332)</u>	<u>(69,856)</u>	<u>(53,965)</u>
Assets reported on the Statement of Financial Position	<u>\$ 9,109</u>	<u>\$ -</u>	<u>\$ 7,698</u>	<u>\$ -</u>

The Board of Trustees of the Community Foundation have the power to modify any restriction or condition on the distribution of endowed funds for any specified charitable purpose or to a specified organization if, in the sole judgement of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served. The authority to modify restrictions is sometimes referred to as “variance power” and is legal standard imposed on all community foundations.

**Risk and Uncertainties**

Investments are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the fund’s balance and the amount reported in the financial statements.

**Communities Overcoming Violent Encounters, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended September 30, 2021 and 2020**

**NOTE F – LAND, BUILDING AND EQUIPMENT**

The following is a summary of land, building and equipment, at cost, and accumulated depreciation at September 30, 2021, and 2020:

	2021	2020
<u>Non-depreciable</u>		
Land and land improvements	\$ 126,734	\$ 126,734
 <u>Depreciable</u>		
Buildings	1,817,714	1,817,714
Equipment	259,975	234,976
	2,077,689	2,052,690
Less accumulated depreciation	(529,623)	(447,144)
Land, building, and equipment, Net	\$ 1,674,800	\$ 1,732,280

**NOTE G – COMPENSATED ABSENCES**

Compensated absences represent COVE’s obligations to its employees for earned but unused vacation, personal, or sick time. Based on length of service, a maximum of 30 days can be earned annually. All staff are allowed to carry over to the subsequent year a maximum of 10 days of paid time off. During the fiscal year ending September 30, 2021, COVE temporarily allowed employees to accrue additional vacation time due to the Coronavirus pandemic. Upon termination, the employee will be paid the amount they have accrued providing certain conditions are met. These obligations were valued at \$8,474 and \$7,645 as of September 30, 2021 and 2020, respectively. These balances are included in accrued liabilities on the Statements of Financial Position

**NOTE H – CAPITAL LEASE**

COVE leases a multi-purpose printer / copier under the terms of a capital lease expiring in October 2022. The asset and liabilities under the capital lease are recorded at the lower of the present value of minimum lease payments or the fair value of the asset and is amortized over the estimated useful life. Amortization totaling \$1,620 is included in depreciation expense in the accompanying financial statements for each of the years ended September 30, 2021 and 2020. The equipment has a net book value of \$1,935 and \$3,374 as of September 30, 2021 and 2020, respectively.

Total remaining minimum lease payments under the aforementioned lease as of September 30, 2021 are as follows:

For the year ending September 30:		
Net Minimum Lease Payments	2022	\$ 2,169
Amount representing interest		(137)
Present value of net minimum lease payments		\$ 2,032

**Communities Overcoming Violent Encounters, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended September 30, 2021 and 2020**

**NOTE I – RESTRICTION ON NET ASSETS**

Net assets with donor restrictions are restricted for the following purposes or periods as of September 30, 2021 and 2020:

	<b>2021</b>	<b>2020</b>
Subject to expenditure for specified purpose:		
Gift from God	\$ 2,962	\$ 4,441
Perpetual in nature:		
Endowment	2,500	2,500
	\$ 5,462	\$ 6,941

**NOTE J – ADVERTISING COSTS**

It is COVE’s policy to expense all costs associated with advertising when incurred. Advertising costs totaled \$2,316 and \$6,965 for the years ended September 30, 2021 and 2020, respectively. These are shown on the Statements of Activities each year.

**NOTE K – RETIREMENT**

COVE maintains a SIMPLE IRA Plan (Plan). All employees receiving at least \$500 in compensation during any two prior years and who are reasonably expected to receive at least \$500 in compensation during the current year are eligible to participate in the Plan. Under the Plan, COVE will match employee contributions up to a limit of 3% of compensation. Total employer contributions were \$13,176 and \$10,032 for the years ended September 30, 2021 and 2020, respectively.

**NOTE L – CONTINGENCIES**

**Grant Revenues**

The operations of the Organization are primarily funded by grant contracts. Accordingly, the revenues received are restricted to the purpose provided in the contracts. In the event of a discontinuance of any such contracts, the accumulated surplus of operating such contracts, if any, including assets purchased with the restricted funds is to be returned to grantor.

**Grant Program**

COVE participates in grant programs, which are subject to program compliance audits by the grantor or its representatives. Such audits of these programs may be performed at some future date. The amount, if any, of expenses which may be disallowed by the granting agencies cannot be determined at this time although COVE expects such amounts, if any, to be immaterial.

**NOTE M – ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES**

The Organization files its Form 990 annually in the U.S. federal jurisdiction and the office of the state's attorney general for the State of Michigan. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2019.

**Communities Overcoming Violent Encounters, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended September 30, 2021 and 2020**

**NOTE N – CORONAVIRUS (COVID-19) PANDEMIC**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of COVID-19 on COVE’s operational and financial performance will depend on certain developments, including the curation and spread of the outbreak and its impacts on COVE’s funding sources, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact COVE’s financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

**NOTE O – PAYCHECK PROTECTION PROGRAM (PPP) LOANS**

The Organization was granted a \$107,272 loan on April 27, 2020, under the Paycheck Protections Program “PPP” administered by a Small Business Administration (SBA) approved partner under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization initially recorded this loan as a refundable advance and has subsequently recognized the entire amount of the loan received as grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization believes the conditions associated with these proceeds were substantially met by September 30, 2021 and recognized these proceeds as revenues accordingly in the accompanying financial statements. The Organization was granted forgiveness on the PPP loan on February 3, 2021.

**NOTE P – NEW ACCOUNTING PRONOUNCEMENTS**

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled to in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance is effective for the Organization for the year ended September 30, 2021. The Organization implemented ASU 2014-09 in 2021 using the retrospective method. The adoption of ASU 2014-09 did not have a material impact on the Organization’s financial position, activities, net assets or cash flows as of the adoption date or for the year ended September 30, 2021. The adoption did not result in a restatement of previously reported net assets for the year ended September 30, 2020.

In addition, the Organization adopted FASB ASU 2018-08, Clarifying the Scope and Accountability Guidance for Contributions Received and Contributions Made, during the fiscal year. The standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions, as well as determining whether a contribution is conditional. The adoption did not result in a restatement of previously reported net assets for the year ended September 30, 2020.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS***

March 22, 2022

To Management and the Board of Directors  
Communities Overcoming Violent Encounters, Inc.  
Ludington, Michigan

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 Communities Overcoming Violent Encounters, Inc., which comprise the statement of financial position as of September 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 and have issued our report thereon dated March 22, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Communities Overcoming Violent Encounters, Inc.'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 Communities Overcoming Violent Encounters, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Communities Overcoming Violent Encounters, Inc.'s internal control.

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

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 Communities Overcoming Violent Encounters, Inc.'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

*H & S Companies, P.C.*

H & S Companies, P.C.  
Reed City, MI



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

March 22, 2022

To Management and the Board of Directors  
Communities Overcoming Violent Encounters, Inc.  
Ludington, Michigan

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

We have audited Communities Overcoming Violent Encounters, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Communities Overcoming Violent Encounters, Inc.'s major federal programs for the year ended September 30, 2021. Communities Overcoming Violent Encounters, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Independent Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Communities Overcoming Violent Encounters, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Communities Overcoming Violent Encounters, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Communities Overcoming Violent Encounters, Inc.'s compliance.

***Opinion on Each Major Federal Program***

In our opinion, Communities Overcoming Violent Encounters, Inc. 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 September 30, 2021.



## **Report on Internal Control over Compliance**

Management of Communities Overcoming Violent Encounters, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Communities Overcoming Violent Encounters, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Communities Overcoming Violent Encounters, Inc.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

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.

Very truly yours,

*H & S Companies, P.C.*

H & S Companies, P.C.  
Reed City, MI

**Communities Overcoming Violent Encounters, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2021**

Federal Agency / Pass-through Grantor / Program Title	ALN Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
<b>U.S. Department of Justice</b> Crime Victim Assistance VOCA	16,575	MDHHS	2018V2GX0067	-	\$ 615,068
<b>Total U.S. Department of Justice</b>				-	615,068
<b>U.S. Department of Treasury</b> COVID-19 - Coronavirus Relief Fund: Victim Services Continuity and Stability Grant	21,019	MDHHS	SLT0040	-	14,311
<b>Total U.S. Department of Treasury</b>				-	14,311
<b>U.S. Department of Housing and Urban Development</b> Domestic Violence CARES Act Housing	14,231	MDHHS	IASHDA20-99003	-	11,593
<b>Total U.S. Department of Housing and Urban Development</b>				-	11,593
<b>U.S. Department of Health and Human Services</b> Health Center Program Temporary Assistance for Need Families Family Violence Grant Domestic Violence CARES Act Family	93,558 93,671 93,671	MDHHS MDHHS MDHHS	2101MITANF 2001MIFVPS 2001MIFVCS	- - -	34,323 57,720 13,526
<b>Total U.S. Department of Health and Human Services</b>				-	105,569
<b>U.S. Department of Homeland Security</b> Emergency Food and Shelter Program Emergency Food and Shelter Program	97,024 97,024	Mason County Oceana County	N/A N/A	- -	5,000 2,500
Emergency Food and Shelter Program - CARES Emergency Food and Shelter Program - CARES	97,024 97,024	Mason County Oceana County	N/A N/A	- -	2,703 6,000
<b>Total U.S. Department of Homeland Security</b>				-	16,203
<b>Total Expenditures of Federal Awards</b>				-	\$ 762,744

**COMMUNITIES OVERCOMING VIOLENT ENCOUNTERS, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

**Note 1 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of Communities Overcoming Violent Encounters, Inc.’s under programs for the federal government for the year ended September 30, 2021. 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). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position or changes in net position, or cash flows of the Organization.

**Note 2 – Significant Accounting Policies Used in Preparing Schedule of Expenditures of Federal Awards**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) are shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

For purposes of charging indirect costs to federal awards, the Organization has elected to use the 10 percent de minimis cost rate as permitted by the Uniform Guidance.

**COMMUNITIES OVERCOMING VIOLENT ENCOUNTERS, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Section I - Summary of Auditor's Results**

*Financial Statements*

1. Type of auditor's report issued is unmodified
2. Internal control over financial reporting.
  - a. No material weaknesses were identified.
  - b. No significant deficiencies were identified.
3. No noncompliance material to the financial statements noted.

*Federal Awards*

1. Internal control over major programs:
  - a. No material weaknesses were identified.
  - b. No significant deficiencies were identified.
2. The type of auditor's report issued on compliance for major programs is unmodified
3. No audit findings were disclosed that are required to be reported in accordance with Uniform Guidance.
4. The program tested as a major program included:  
    Crime Victim Assistance VOCA, ALN No 16.575
5. The threshold for distinguishing Types A and B programs was \$750,000.
6. The Communities Overcoming Violent Encounters, Inc. was not determined to be a low risk auditee.

**Section II - Findings - Financial Statement Audit**

*No Findings*

**Section III - Findings and Questioned Costs - Major Federal Award Programs Audit**

*No Findings*

**COMMUNITIES OVERCOMING VIOLENT ENCOUNTERS, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

**Financial Statement Findings**

*None noted*

**Federal Award Findings and Questioned Costs**

*None noted*