

RESILIENCE: ADVOCATES FOR ENDING VIOLENCE

AUDIT REPORT

**SEPTEMBER 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

Tibbitts & Associates, PLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Resilience: Advocates for Ending Violence
Holland, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of Resilience: Advocates for Ending Violence (a nonprofit organization), 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.

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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Resilience: Advocates for Ending Violence as of September 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Grants – Governmental Agencies is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Resilience: Advocates for Ending Violence's September 30, 2020, financial statements and, our report dated March 9, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, 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*, we have also issued our report dated May 23, 2022, on our consideration of Resilience: Advocates for Ending Violence'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 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 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 Resilience: Advocates for Ending Violence's internal control over financial reporting and compliance.

Tibbitts & Associates PLLC

TIBBITTS & ASSOCIATES, PLC
Allegan, Michigan

May 23, 2022

RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
STATEMENT OF FINANCIAL POSITION
ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021</u>	<u>2020</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 394,113	112,365	506,478	293,655
Investments	543,348		543,348	681,461
Grants receivable	302,547		302,547	320,261
Pledges receivable				22,366
Promises to give		30,992	30,992	
Other receivables				200,703
Prepaid expenses	<u>106,470</u>		<u>106,470</u>	<u>86,782</u>
TOTAL CURRENT ASSETS	\$ <u>1,346,478</u>	<u>143,357</u>	<u>1,489,835</u>	<u>1,605,228</u>
PROPERTY AND EQUIPMENT				
Land	\$ 524,910		524,910	524,910
Buildings	622,116		622,116	622,116
Land and building improvements	2,138,884		2,138,884	2,014,216
Office furniture and equipment	671,292		671,292	613,600
Transportation equipment	<u>76,075</u>		<u>76,075</u>	<u>97,338</u>
	\$ 4,033,277		4,033,277	3,872,180
Less accumulated depreciation	<u>(1,920,111)</u>		<u>(1,920,111)</u>	<u>(1,851,745)</u>
NET PROPERTY AND EQUIPMENT	\$ <u>2,113,166</u>		<u>2,113,166</u>	<u>2,020,435</u>
OTHER ASSETS				
Beneficial interest in assets held at Community Foundations	\$ 57,069	165,408	222,477	186,720
Endowment investment	<u>14,668</u>	<u>2,252,995</u>	<u>2,267,663</u>	<u>1,801,256</u>
TOTAL OTHER ASSETS	\$ <u>71,737</u>	<u>2,418,403</u>	<u>2,490,140</u>	<u>1,987,976</u>
TOTAL ASSETS	\$ <u><u>3,531,381</u></u>	<u><u>2,561,760</u></u>	<u><u>6,093,141</u></u>	<u><u>5,613,639</u></u>

See accompanying notes

RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
STATEMENT OF FINANCIAL POSITION
LIABILITIES AND NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021</u>	<u>2020</u>
CURRENT LIABILITIES				
Accounts payable	\$ 201,477		201,477	58,970
Accrued wages and vacation pay	188,308		188,308	166,019
Accrued payroll liabilities	15,120		15,120	14,247
Accrued retirement plan	3,465		3,465	3,125
Payroll Protection Loan Program				156,580
Current portion of long term debt	<u>11,143</u>		<u>11,143</u>	<u>9,447</u>
TOTAL CURRENT LIABILITIES	\$ <u>419,513</u>		<u>419,513</u>	<u>408,388</u>
LONG TERM DEBT				
Copier - Capital lease	<u>\$ 44,924</u>		<u>44,924</u>	<u>4,042</u>
NET ASSETS				
Without donor restrictions	\$ 2,398,573		2,398,573	2,258,105
Board designated funds	668,371		668,371	703,827
With donor restrictions		<u>2,561,760</u>	<u>2,561,760</u>	<u>2,239,277</u>
TOTAL NET ASSETS	\$ <u>3,066,944</u>	<u>2,561,760</u>	<u>5,628,704</u>	<u>5,201,209</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>3,531,381</u></u>	<u><u>2,561,760</u></u>	<u><u>6,093,141</u></u>	<u><u>5,613,639</u></u>

See accompanying notes

RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021</u>	<u>2020</u>
REVENUES, GAINS AND SUPPORT				
Grants - governmental agencies	\$ 1,747,745		1,747,745	1,455,590
Other grants	12,711	154,987	167,698	87,650
Contributions	791,894	49,315	841,209	1,042,536
United Way	63,513	47,900	111,413	37,302
Donated services/Gifts-In-Kind	41,117		41,117	54,804
Transitional Housing Program income	1,075		1,075	775
Girls on the Run - registrations				60,079
Miscellaneous	13,021	910	13,931	11,201
Special events				100,108
Victims' compensation	37,287		37,287	56,474
Building rent	5,400		5,400	5,400
Investment income (loss)	68,950	403,467	472,417	216,783
Gain on asset disposal	5,000		5,000	
Payroll Protection Program loan forgiveness	156,580		156,580	
Net assets released from restrictions	334,096	(334,096)		
	<u>3,278,389</u>	<u>322,483</u>	<u>3,600,872</u>	<u>3,128,702</u>
TOTAL REVENUES, GAINS AND SUPPORT				
	<u>\$ 3,278,389</u>	<u>322,483</u>	<u>3,600,872</u>	<u>3,128,702</u>
EXPENSES				
Program	\$ 2,673,650		2,673,650	2,694,644
Management and general	246,290		246,290	222,063
Fundraising	253,437		253,437	249,771
	<u>3,173,377</u>		<u>3,173,377</u>	<u>3,166,478</u>
TOTAL EXPENSES				
	<u>\$ 3,173,377</u>		<u>3,173,377</u>	<u>3,166,478</u>
CHANGE IN NET ASSETS	\$ 105,012	322,483	427,495	(37,776)
NET ASSETS, October 1	<u>2,961,932</u>	<u>2,239,277</u>	<u>5,201,209</u>	<u>5,238,985</u>
NET ASSETS, September 30	<u>\$ 3,066,944</u>	<u>2,561,760</u>	<u>5,628,704</u>	<u>5,201,209</u>

See accompanying notes

**RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

	Program Services	Management and General	Fundraising	2021	2020
Salaries & wages	\$ 1,283,129	111,840	154,997	1,549,966	1,601,318
Fringe benefits	241,461	23,439	31,906	296,806	317,843
Assistance to individuals	460,268			460,268	409,899
Travel	9,082	240	324	9,646	12,990
Dues & publications	2,576	2,381	760	5,717	4,925
Supplies	56,388	2,606	740	59,734	61,000
Insurance	27,609	6,127	1,835	35,571	33,014
Seminars & training	8,785	9,698	52	18,535	9,231
Professional services	390	12,610		13,000	13,000
Communications	31,294	7,735	2,249	41,278	44,377
Miscellaneous	3,495	11,413	8,781	23,689	26,110
Service charges	100	647	3,274	4,021	9,391
Contributed services/Gifts in-kind	40,649	189	279	41,117	54,804
Special events/Fundraising			26,153	26,153	25,408
Printing		2,181		2,181	1,608
Depreciation	145,042	5,512	8,109	158,663	143,152
Occupancy	105,638	5,359	3,885	114,882	113,963
Equipment rental & maintenance	39,009	26,917	6,449	72,375	39,566
Loss on disposition of assets	4,766	(27)	(38)	4,701	
Contracted services	210,369	16,773	3,682	230,824	235,652
Advertising	3,600	650		4,250	9,227
TOTAL	\$ 2,673,650	246,290	253,437	3,173,377	3,166,478

See accompanying notes

RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	<u>2021</u>	<u>2020</u>
FROM OPERATING ACTIVITIES		
Change in net assets	\$ 427,495	(37,776)
Adjustment to reconcile net assets to net cash provided by operating activities:		
Depreciation	158,663	143,152
(Increase) Decrease in agency endowments	(35,757)	(14,865)
Unrealized investment (income) loss	(353,226)	(124,566)
Donated investment	(32,598)	
From change in assets and liabilities		
(Increase) decrease in:		
Grants receivable	17,714	128,509
Promises to give	(30,992)	80,122
Pledges receivable	22,366	65,051
Prepaid expenses/other receivables	181,015	(194,528)
Increase (decrease) in:		
Accounts payable	142,507	(59,877)
Accrued wages	22,289	36,530
Other current liabilities	1,213	4,476
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 520,689</u>	<u>26,228</u>
FROM INVESTING ACTIVITIES		
Purchase of property and equipment, net of disposals	\$ (251,394)	(107,072)
Purchase of investments	(503,578)	(501,512)
Net transfers from investments	120,505	
Sale of investments	440,603	343,765
Payroll Protection Loan Program	(156,580)	156,580
Copier - Capital lease, net of payments	42,578	(9,100)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ (307,866)</u>	<u>(117,339)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 212,823	(91,111)
CASH AND CASH EQUIVALENTS, October 1	<u>293,655</u>	<u>384,766</u>
CASH AND CASH EQUIVALENTS, September 30	<u>\$ 506,478</u>	<u>293,655</u>

See accompanying notes

**RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
SUPPLEMENTAL INFORMATION
SCHEDULE OF GRANTS - GOVERNMENTAL AGENCIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

	<u>2021</u>	<u>2020</u>
FEDERAL GRANTS:		
United States Department of Housing and Urban Development	\$ 227,778	160,677
United States Department of Housing and Urban Development passed through the City of Holland	21,841	
United States Department of Housing and Urban Development passed through MSHDA	30,367	
Federal Emergency Management Agency	40,176	4,913
United States Department of Justice		29,592
United States Department of Justice passed through the Michigan Department of Health and Human Services:		
Crime Victims Assistance	579,323	583,380
Sexual Assault Comprehensive Services	104,357	85,000
Transitional Supportive Housing	86,985	
United States Department of Health and Human Services passed through the Michigan Department of Health and Human Services:		
Domestic Violence	182,662	195,504
Domestic Violence Transitional Housing	105,289	206,037
Domestic Violence CARES Act	24,146	
Sexual Assault		15,174
United States Treasury passed through the Michigan Department of Health and Human Services:		
Coronavirus Relief Fund	<u>36,141</u>	<u>13,859</u>
TOTAL FEDERAL GRANTS	\$ <u>1,439,065</u>	<u>1,294,136</u>
NON-FEDERAL GRANTS:		
Michigan Department of Health and Human Services:		
Domestic Violence/Sexual Assault CARES Act	\$ 232,385	126,600
		910
Ottawa County Community Action	<u>76,295</u>	<u>33,944</u>
TOTAL NON-FEDERAL GRANTS	\$ <u>308,680</u>	<u>161,454</u>
TOTAL GRANTS - GOVERNMENTAL AGENCIES	\$ <u><u>1,747,745</u></u>	<u><u>1,455,590</u></u>

See accompanying notes

RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Resilience: Advocates for Ending Violence's mission is to respond to, reduce, and prevent domestic and sexual violence. This mission is achieved through education, collaboration, and advocacy with crisis and supportive services to victims and survivors. These services include providing information, referral services, emergency shelter, individual counseling, and twenty-four hour crisis response. Some of the topics of these services include domestic violence and rape, mid-life planning, assertiveness training, sexual harassment, divorce, and career development. Programs are available to anyone within the service district area.

The financial statements are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Resilience: Advocates for Ending Violence is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

Investments in marketable equity securities with readily determinable fair values are stated at market value.

Property and equipment are recorded at cost or fair market value if donated. Depreciation is computed using the straight-line method over the estimated lives of the assets placed into service. The Organization has adopted the policy of capitalizing assets costing \$5,000 or more.

Resilience: Advocates for Ending Violence 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.

Contributions are recognized when received or when an unconditional promise to give has been received. Conditional promises to give are not recognized as revenues until the conditions on which they depend have been met. Reimbursing government contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at September 30, 2021, conditional grants approximating \$356,000, of which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

The financial statements of Resilience: Advocates for Ending Violence have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which requires Resilience: Advocates for Ending Violence to report information regarding its financial position and activities according to the following net asset classifications:

- **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 Resilience: Advocates for Ending Violence management and the board of directors.

**RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- **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 Resilience: Advocates for Ending Violence 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.

The Organization reports conditional contributions and grants restricted by donors or grantors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) at the same point in time the condition is met (that is, when the contribution becomes unconditional). All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. It is the policy of the Organization to spend donor restricted funds first when implementing projects or programs.

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Advertising costs are expensed as incurred.

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2020, from which the summarized information was derived.

FAIR VALUE MEASUREMENTS OF INVESTMENTS

Fair value of investments measured on a recurring basis at September 30, 2021, are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Cash deposits	\$ 64,068		64,068
Mutual funds	1,968,328		1,968,328
Exchange traded products	741,850		741,850
Limited partnership	<u> </u>	36,765	<u>36,765</u>
Total Assets at Fair Value	<u>\$2,774,246</u>	<u>36,765</u>	<u>2,811,011</u>

Fair values for the limited partnership is estimated by reference to market prices for similar investments.

**RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

CONTRIBUTED SERVICES

Donated services totaling \$3,600 were recognized for the year ended September 30, 2021.

The Organization also receives additional volunteer services in conjunction with its exempt purpose which do not meet the criteria for recognition in the financial statements. Accordingly, no values have been recorded herein.

GIFTS-IN-KIND

Tangible personal property donated to the Organization for the benefit of clients or for fundraising purposes is valued at approximate fair market value and recorded in the financial statements. For the year ending September 30, 2021, \$37,517 of gifts-in-kind were recognized.

CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash accounts with a local financial institution. Although such cash balances may have exceeded the federally insured limits at certain times during the year they are, in the opinion of management, subject to minimal risk. Interest bearing accounts are guaranteed by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. At September 30, 2021, cash balances in excess of insured limits were \$150,264.

RESTRICTIONS/LIMITATIONS ON NET ASSETS

Board-designated Net Assets

The governing board of the Organization has designated net assets without donor restrictions of \$668,371. These funds are maintained in separate investment accounts and can only be expended with board approval.

Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purpose or period:

Subject to expenditure for a specific purpose:	
Children's Services	\$ 9,791
Other contributions with donor restrictions for various purposes	<u>123,866</u>
	<u>\$ 133,357</u>
Endowment:	
Subject to the Organization's spending policy and appropriation:	
Forward Together Campaign – permanent contributions	\$1,776,615
Forward Together Campaign – accumulated earnings	<u>651,788</u>
	<u>\$2,428,403</u>
Total Net Assets with Donor Restrictions	<u>\$2,561,760</u>

**RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

RETIREMENT PLAN

The Organization has adopted a 403(b) employer contributory plan. All employees are eligible to make employee elective deferral contributions. Employees age 21 and over who have completed one eligibility year of service, as defined by the Plan, are eligible for employer matching and employer discretionary contributions. For the year ended September 30, 2021, the Organization made discretionary contributions of 3% of compensation and matching contributions of 2%. The Organization's retirement contribution expense was \$63,220 for the year ended September 30, 2021.

LEASES

Operating Leases

The Organization conducts certain operations from facilities that are leased under operating leases. A total of \$22,800 was charged to expense under these leases during the year ended September 30, 2021.

The Organization also leases a copier under a 55 month lease. A total of \$1,997 was charged to expense under this lease during the year ended September 30, 2021.

Future minimum lease payments for 2022 are \$22,425.

Capital Lease

The Organization leases a copier from Great American Financial under a capital lease. The economic substance of the lease is that the Organization is financing the acquisition of the copier through the lease and, accordingly, it is recorded in the Organization's assets and liabilities.

The copier was recorded as equipment valued at \$58,800. The lease agreement contains a bargain purchase option at the end of the lease term.

The following is a schedule of years of future minimum principle payments required under the lease:

Year Ending September	
2022	\$12,689
2023	12,689
2024	12,689
2025	12,689
2026	<u>9,514</u>
Total Minimum Lease Payments	\$60,270
Less amount representing interest	<u>(4,203)</u>
Present Value of Minimum Lease Payments	<u>\$56,067</u>

Amortization of assets held under capital leases is included with depreciation expense. Depreciation of \$8,884 was recorded for the year ended September 30, 2021.

RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

ACCRUED VACATION PAY

The Organization has accrued vacation pay and paid time off earned by employees but unpaid as of September 30, 2021. The Organization's policy requires payment of unused vacation and paid time off upon termination of employment. The amount accrued at September 30, 2021, was \$94,114.

PAYROLL PROTECTION PROGRAM

Resilience: Advocates for Ending Violence was granted a \$156,580 loan under the Paycheck Protection Program "PPP" administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and was fully guaranteed by the Federal government. Resilience: Advocates for Ending Violence was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. Resilience: Advocates for Ending Violence had initially recorded the loan as a refundable advance and then recorded the forgiveness in accordance with guidance for conditional contributions when there was no longer a measurable performance or other barrier. The loan was officially forgiven in May of 2021 and recorded as income.

FUNCTIONAL EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Costs which cannot be charged directly to a program or activity are applied each fiscal quarter or as needed to programs and activities on the basis of the percent of direct service hours provided by each program during the quarter in accordance with the Organization's cost allocation plan.

CONTINGENCIES

Federal financial assistance grants are subject to review by the granting agencies and may be reviewed by the grantor for up to three years after the year of expenditure. Such grants have not been reviewed and approved, nor has any estimate been made for contingent liabilities, such as disallowed expenditures, arising out of any grantor review.

BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATIONS

When a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the organization must account for the transfer of such assets as a beneficial interest in funds held by the community foundation. The community foundation refers to such funds as agency funds.

The community foundation maintains variance power and legal ownership of agency endowment funds and, as such, continues to report the funds as assets of the community foundation. However, the organization also records the agency funds as an asset at the fair value of the fund, which is generally equivalent to the present value of future payments expected to be received by the organization.

**RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATIONS (continued)

At September 30, 2021, the balance of the agency funds was \$222,477, which includes \$165,408 of donor restricted endowment and related endowment earnings.

DONOR—DESIGNATED ENDOWMENTS

Resilience: Advocates for Ending Violence launched the Forward Together Campaign to raise \$2,250,000 for programming, capital improvements, and Endowment. The Endowment portion was promoted to be \$1,500,000. Subsequent contributions have been received for the endowment.

The Endowment adheres to all applicable regulatory constraints including, without limitation, the Uniform Prudent Management of Institutional Funds Act (UPMIFA; Michigan Public Act 0087 of 2009). All investments of the Endowment shall be in conformity with the "Michigan prudent investor rule" as set forth in the Uniform Prudent Management of Institutional Funds Act (UPMIFA; Michigan Public Act 0087 of 2009). As a result of this, the Organization retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

Endowment Investment Policies—

The Organization has adopted Endowment Fund Investment Policies approved by the Board of Directors. The overall purpose of the Endowment is to provide financial support for the Center and to achieve growth of Endowment principal and income over time subject to a prudent level of risk. The Board of Directors delegates supervisory authority over the Endowment Fund to the investment Committee of the Board.

The objectives for the investment of Endowment include absolute, relative, and comparative performance goals defined as follows:

- a. The absolute performance objective of the investment policy is to maintain the Endowment's inflation-adjusted market value while providing the Center's operating budget with a relatively predictable, growing stream of revenue targeted at the maximum spending rate (currently up to but not more than 5.0 percent of the Endowment). The minimum performance objective, therefore, is to earn a total return (including interest, dividends, and change in the capital value of the investments, net of all fees and expenses) equal to or exceeding the maximum spending rate plus the annual rate of inflation.
- b. The relative performance objective of the investment policy is to seek competitive investment performance versus appropriate, accepted capital market indices. This objective shall be measured by comparing actual investment results to a market index appropriate to each asset class and for the total Endowment.

**RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

DONOR—DESIGNATED ENDOWMENTS (continued)

- c. The comparative performance objective of the investment policy is to achieve a total rate of return that is comparable to that of other like institutions.

Endowment Investment Policies—

These performance goals are based on a long-term investment horizon. Accordingly, it is recognized that short-term fluctuations will occur and should be viewed with appropriate perspective. The portfolio structure is to be designed to achieve consistency in returns and mitigate downside volatility.

Spending Policy—

Given the long term historical returns on various asset classes, the expectations for the future, and the demonstrated ability of some professional managers to add incremental return above market averages, the absolute performance objective (provide a relatively predictable, growing stream of revenue for the Center’s operating budget) will be accomplished by annually spending up to and no more than 5% of the moving average market value of the portfolio for the prior twelve quarters.

Endowment funds with donor restrictions at September 30, 2021, are as follows:

	<u>With Donor Restrictions</u>
Endowment Net Assets – Beginning of year	\$2,102,817
Contributions	10,000
Unrealized investment gains	341,072
Interest & dividend income	62,395
Appropriated for expenditure	(77,710)
Fees	<u>(10,171)</u>
Endowment Net Assets – End of year	<u>\$2,428,403</u>

AVAILABILITY AND LIQUIDITY

The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial Assets:	
Cash and cash equivalents	\$ 506,478
Investments	543,348
Grants receivable	302,547
Promises to give	<u>30,992</u>
Total financial assets:	\$1,383,365

RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

AVAILABILITY AND LIQUIDITY (continued)

Less those unavailable for general expenditure within one year:

Donor restricted – Children’s services	(9,791)
Donor restricted – Other purposes	(123,566)
Donor restricted – Endowment	<u>(10,000)</u>

Financial assets available to meet cash needs for general expenditures within one year: \$1,240,008

CORONAVIRUS PANDEMIC

In March 2020, the World Health Organization categorized COVID-19 as a global pandemic. The COVID-19 pandemic caused business disruption through mandated and voluntary closings of multiple businesses. The extent of the impact of COVID-19 on the Organization’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our clients, employees, donors, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organization’s financial condition or results of operations in the future is uncertain.

EVALUATION OF SUBSEQUENT EVENTS

Subsequent events were evaluated through May 23, 2022, which is the date the financial statements were available to be issued.

**RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Federal Grantor/Pass-through Grantor/ Program	Federal CFDA #	Pass-through Entity Identifying #	Passed Through to Subrecipients	Total Federal Expenditures
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Award:				
Continuum of Care Program	14.267		\$	\$ 227,778
Passed through City of Holland:				
Community Development Block Grant	14.218			21,841
Passed through Michigan State Housing Development Authority:				
COVID-19 Domestic Violence CARES Act 2021	14.231	E20214255-00	_____	30,367
TOTAL UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ _____	\$ 279,986
UNITED STATES DEPARTMENT OF JUSTICE				
Passed through Michigan Department of Health and Human Services:				
VOCA Crime Victim Assistance 2021	16.575	E20210554-001	\$	\$ 579,323
Sexual Assault Victims Services 2021	16.575	E20210553-00		104,357
Transitional Supportive Housing VOCA 2021	16.575	E20211714-00	_____	86,985
Total Victims of Crime Assistance			\$ _____	\$ 770,665
TOTAL UNITED STATES DEPARTMENT OF JUSTICE			\$ _____	\$ 770,665
UNITED STATES DEPARTMENT OF TREASURY				
Passed through Michigan Department of Health and Human Services:				
COVID-19 Coronavirus Relief Fund	21.019	E20214181-00	\$ _____	\$ 36,141

See accompanying notes to the schedule of expenditures of federal awards

RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Federal Grantor/Pass-through Grantor/ Program	Federal CFDA #	Pass-through Entity Identifying #	Passed Through to Subrecipients	Total Federal Expenditures
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Michigan Department of Health and Human Services:				
Temporary Assistance to Needy Families	93.558	E20211169-00	\$ 69,750	\$ 103,948
Temporary Assistance to Needy Families	93.558	E20211700-00		105,289
Total Temporary Assistance to Needy Families			\$ 69,750	\$ 209,237
COVID-19 Domestic Violence CARES Act	93.671	E20214256-00	\$	\$ 24,146
COVID-19 Family Violence Prevention Services	93.671	E20211169-00		66,508
Family Violence Prevention Services	93.671	E20211169-00		12,206
Total Family Violence Prevention Services			\$	\$ 102,860
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 69,750	\$ 312,097
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Emergency Food and Shelter National Board Program:				
COVID-19 Phase CARES	97.024	CARES-4561-00 003 9	\$	\$ 11,780
Phase 37	97.024	37-4561-00 003 E9		5,042
Phase 38	97.024	38-4561-00 003 E9		23,354
			\$	\$ 40,176
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 69,750	\$ 1,439,065

See accompanying notes to the schedule of expenditures of federal awards

**RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
NOTES TO SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Resilience: Advocates for Ending Violence under programs of 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 Resilience: Advocates for Ending Violence, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Resilience: Advocates for Ending Violence.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

MATCHING CONTRIBUTIONS

In accordance with the terms of the Crime Victim Assistant grant, Resilience: Advocates for Ending Violence received in-kind matching contributions consisting of donated services. These services are valued at \$45,977.

INDIRECT COST RATE

Resilience: Advocates for Ending Violence has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Tibbitts & Associates, PLC

CERTIFIED PUBLIC ACCOUNTANTS

**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***

To the Board of Directors
Resilience: Advocates for Ending Violence
Holland, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Resilience: Advocates for Ending Violence (a nonprofit organization), which comprise the statement of financial position as of September 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 May 23, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Resilience: Advocates for Ending 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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Resilience: Advocates for Ending Violence'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 Resilience: Advocates for Ending Violence'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.

Tibbitts + Associates PLC

TIBBITTS & ASSOCIATES, PLC
Allegan, Michigan

May 23, 2022

Tibbitts & Associates, PLC

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors
Resilience: Advocates for Ending Violence
Holland, Michigan

Report on Compliance for Each Major Federal Program

We have audited Resilience: Advocates for Ending Violence'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 Resilience: Advocates for Ending Violence's major federal programs for the year ended September 30, 2021. Resilience: Advocates for Ending Violence'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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Resilience: Advocates for Ending Violence'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* 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 Resilience: Advocates for Ending Violence'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 Resilience: Advocates for Ending Violence's compliance.

Opinion on Each Major Federal Program

In our opinion, Resilience: Advocates for Ending Violence 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 Resilience: Advocates for Ending Violence 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 Resilience: Advocates for Ending Violence'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 Resilience: Advocates for Ending Violence'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.

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.



TIBBITTS & ASSOCIATES, PLC
Allegan, Michigan

May 23, 2022

**RESILIENCE: ADVOCATES FOR ENDING VIOLENCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion.
2. No significant deficiencies relating to the audit of the financial statements of Resilience: Advocates for Ending Violence are reported.
3. No instances of noncompliance material to the financial statements of Resilience: Advocates for Ending Violence were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award program of Resilience: Advocates for Ending Violence are reported.
5. The auditor's report on compliance for the major federal award program for Resilience: Advocates for Ending Violence expresses an unqualified opinion.
6. No audit findings relative to the major federal award program for Resilience: Advocates for Ending Violence are reported.
7. The major program tested was Victims of Crime Assistance, CFDA #16.575.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Resilience: Advocates for Ending Violence was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COST – MAJOR FEDERAL AWARDS PROGRAM AUDITS

None

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

There were no audit findings noted in the prior year audit.