

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Relief After Violent Encounter - Ionia/Montcalm, Inc.
Ionia, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of Relief After Violent Encounter - Ionia/Montcalm, Inc. (a nonprofit corporation), which comprise the statement of financial position as of September 30, 2020, 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 Relief After Violent Encounter - Ionia/Montcalm, Inc. as of September 30, 2020, 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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information 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 April 3, 2021, on our consideration of Relief After Violent Encounter - Ionia/Montcalm, 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 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 Relief After Violent Encounter - Ionia/Montcalm, Inc.'s internal control over financial reporting and compliance.

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April 3, 2021

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FINANCIAL STATEMENTS

RELIEF AFTER VIOLENT ENCOUNTER - IONIA/MONTCALM, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

	Without Donor Restrictions
SUPPORT AND REVENUE	
Grants	
Department of Health and Human Services	\$ 203,212
Department of Health and Human Services - VOCA	423,116
FEMA	
Montcalm County	14,385
Ionia County	2,164
Local	
Allstate Foundation	4,500
DTE Energy Foundation	8,500
Michigan Economic Development Corporation	15,000
Montcalm EFSP Cares	8,627
Other	13,025
Other	
Donations	41,778
Interest	1,092
Special events	10,911
	746,310
EXPENSES	
Program services	520,626
Supporting services	
Management and general	139,760
Fundraising	1,430
	661,816
CHANGE IN NET ASSETS	84,494
Net assets, beginning of year	360,987
Net assets, end of year	\$ 445,481

See accompanying notes to financial statements.

RELIEF AFTER VIOLENT ENCOUNTER - IONIA/MONTCALM, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 84,494
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	10,434
(Increase) decrease in:	
Due from Federal/State	(40,332)
Due from others	(11,976)
Prepays	(8,873)
Increase (decrease) in:	
Accounts payable	26,764
Accrued wages	(12,287)
Compensated absences	4,511
Other accrued liabilities	5,688
Deferred revenue	(33,138)
	<u>25,285</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	<u>(1,093)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payroll protection program loan payable	<u>90,900</u>
	115,092
NET INCREASE IN CASH DURING YEAR	
Cash, beginning of year	<u>145,065</u>
Cash, end of year	<u>\$ 260,157</u>

See accompanying notes to financial statements.

RELIEF AFTER VIOLENT ENCOUNTER - IONIA/MONTCALM, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets

Property, equipment, and buildings acquired by the Agency is stated at cost, if purchased, or at fair value, if donated, with items capitalized at a unit cost of \$300 or greater. Depreciation is provided using the straight-line method over the useful lives of the respective assets, which range from 5 to 39 years. The costs of normal maintenance that do not add to the value of assets or materially extend asset lives are not capitalized.

Equipment purchased with grant funds are recorded as an expense to meet grant reporting requirements. These fixed assets are considered to be owned by the grant funding source and, accordingly, are not reported as fixed assets in the 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 available for use in general operations and not subject to donor or grantor restrictions. The Agency has not designated any amounts from net assets without donor restrictions.

Income Taxes

RAVE I/M is a nonprofit corporation and has been granted exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Agency is not classified as a private foundation.

In the preparation of tax returns, tax positions are taken based on interpretation of federal, state, and local income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due or owed. No amounts have been identified, or recorded, as uncertain tax positions. Federal, state, and local tax returns generally remain open for examination by various taxing authorities for a period of three to four years.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees received in advance, if any, are recorded as deferred revenue. Contributions are recognized when cash, securities, or other assets, or an unconditional promise to give is received. Conditional promises to give are recognized when the conditions on which the depend have been substantially met.

Contributed Materials, Equipment, and Services

RAVE I/M will record various types of in-kind contributions that have a fair value of \$500 or more in accordance with GAAP. GAAP requires recognition of professional services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The value of donated services is recorded as contributions in the period the services are rendered. The amounts reflected in the financial statements as in-kind contributions will be offset by like amounts included in expenses. RAVE I/M did not receive contributed materials, equipment, or services during the fiscal year ended September 30, 2020, meeting the recognition criteria.

RELIEF AFTER VIOLENT ENCOUNTER - IONIA/MONTCALM, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - LIQUIDITY AND AVAILABILITY (continued)

Financial assets available for general expenses, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following at September 30, 2020:

Cash	\$ 260,157
Investments	-
Due from Federal/State	83,680
Due from others	<u>17,484</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u><u>\$ 361,321</u></u>

In addition to financial assets available to meet general expenses over the next 12 months, the Agency operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenses.

NOTE 5 - DUE FROM FEDERAL/STATE

The following is a summary of the amounts due from Federal/State at September 30, 2020:

Michigan Department of Health and Human Services	\$ 22,240
Michigan Department of Health and Human Services - VOCA	<u>61,440</u>
	<u><u>\$ 83,680</u></u>

NOTE 6 - FIXED ASSETS

The following is a summary of the changes in fixed assets for the year ended September 30, 2020:

	Balance Oct. 1, 2019	Additions	Deletions	Balance Sept. 30, 2020
Fixed assets being depreciated				
Buildings and building improvements	\$ 328,037	\$ -	\$ -	\$ 328,037
Equipment	<u>17,457</u>	<u>-</u>	<u>-</u>	<u>17,457</u>
Subtotal	<u>345,494</u>	<u>-</u>	<u>-</u>	<u>345,494</u>
Less accumulated depreciation for:				
Buildings and building improvements	(162,368)	(9,779)	-	(172,147)
Equipment	<u>(16,085)</u>	<u>(655)</u>	<u>-</u>	<u>(16,740)</u>
Subtotal	<u>(178,453)</u>	<u>(10,434)</u>	<u>-</u>	<u>(188,887)</u>
Net fixed assets	<u><u>\$ 167,041</u></u>	<u><u>\$ (10,434)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 156,607</u></u>

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Supplementary Information
Supplementary Information
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Supplementary Information

SUPPLEMENTARY INFORMATION

RELIEF AFTER VIOLENT ENCOUNTER - IONIA/MONTCALM, INC.
SCHEDULE OF REVENUE AND EXPENSES
DEPARTMENT OF HEALTH AND HUMAN SERVICES
YEAR ENDED SEPTEMBER 30, 2020

	Grant No. <u>DV-16-34001</u>	Grant No. <u>STOP-16-34001</u>	<u>Total</u>
REVENUE	\$ 168,619	\$ 34,593	\$ 203,212
EXPENSES			
Salaries and wages	\$ 133,014	\$ 24,406	\$ 157,420
Fringe benefits	15,541	4,393	19,934
Communication	2,367	869	3,236
Supplies	5,476	2,943	8,419
Local transportation	1,044	1,482	2,526
Occupancy	5,209	-	5,209
Miscellaneous	5,968	500	6,468
TOTAL EXPENSES	\$ 168,619	\$ 34,593	\$ 203,212

**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
Relief After Violent Encounter - Ionia/Montcalm, Inc.
Ionia, 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 Relief After Violent Encounter - Ionia/Montcalm, Inc. (the Agency) (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, 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 April 3, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 the Agency'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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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April 3, 2021