

C.O.V. INC. DBA CODE OF VETS

FINANCIAL STATEMENTS -
MODIFIED CASH BASIS

Year Ended December 31, 2021

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ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
C.O.V. Inc. dba Code of Vets
Murfreesboro, TN

Management is responsible for the accompanying financial statements of C.O.V. Inc. dba Code of Vets (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of December 31, 2021, and the related statements of support, revenue, expenses, and changes in net assets - modified cash basis, functional expenses - modified cash basis, and cash flows - modified cash basis for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The supplementary information contained in the Schedules of Donations and Operating Costs is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

We are not independent with respect to C.O.V. Inc. dba Code of Vets.

Grannis and Associates, P.C.

Murfreesboro, Tennessee
April 14, 2022

C.O.V. INC. DBA CODE OF VETS, INC
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
December 31, 2021

ASSETS

<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 203,001.42
 <u>Property and Equipment</u>	
Furniture and Equipment	1,020.58
Less: Accumulated Depreciation	<u>272.16</u>
Property and Equipment, Net	<u>748.42</u>
Total Assets	<u>\$ 203,749.84</u>

LIABILITIES AND NET ASSETS

<u>Net Assets</u>	
Without Donor Restrictions	\$ 203,749.84
Total Liabilities and Net Assets	<u>\$ 203,749.84</u>

C.O.V. INC. DBA CODE OF VETS, INC
STATEMENT OF SUPPORT, REVENUE, EXPENSES, AND CHANGES IN NET ASSETS -
MODIFIED CASH BASIS
Year Ended December 31, 2021

	Without donor restrictions
SUPPORT AND REVENUES	
Support:	
Contributions, Gifts, and Grants	\$ 2,176,559.11
Revenues:	
Other Income	42,888.36
Gain (loss) on Foreign Currency Exchange	0.57
Total Support and Revenues	2,219,448.04
Expenses:	
Program Activities:	
Veteran Assistance	2,361,438.94
Supporting Activities:	
Management and General	44,657.40
Total Expenses	2,406,096.34
Change in Net Assets	(186,648.30)
Net Assets, Beginning of Year	390,398.14
Net Assets, End of Year	\$ 203,749.84

See Accompanying Notes and Accountant's Compilation Report

C.O.V. INC. DBA CODE OF VETS, INC
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
Year Ended December 31, 2021

	<u>Program Activities</u>	<u>Supporting Activities</u>	<u>Total Functional Expenses</u>
	<u>Veteran Assistance</u>	<u>Management and General</u>	
Accounting Fees	\$ -	\$ 28,775.00	\$ 28,775.00
Advertising	-	579.00	579.00
Bank Fees	-	678.09	678.09
Contract Labor	-	10,670.00	10,670.00
Contributions, Gifts, and Grants - Paid	2,326,606.37	-	2,326,606.37
Depreciation	-	204.12	204.12
Flowers and Gifts	-	137.80	137.80
Insurance	-	1,249.00	1,249.00
License and Fees	-	770.46	770.46
Miscellaneous Expense	-	1.50	1.50
PayPal Fees	33,412.51	-	33,412.51
Printing and Publications	-	141.52	141.52
Postage	1,420.06	157.78	1,577.84
Software	-	274.87	274.87
Supplies	-	566.66	566.66
Travel	-	451.60	451.60
Total	<u>\$ 2,361,438.94</u>	<u>\$ 44,657.40</u>	<u>\$ 2,406,096.34</u>

See Accompanying Notes and Accountant's Compilation Report

C.O.V. INC. DBA CODE OF VETS, INC
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (186,648.30)
Adjustments to reconcile changes in net assets to net cash used by operating activities	
Depreciation	<u>204.12</u>
Net Cash Used by Operating Activities	(186,444.18)
Net Increase (Decrease) in Cash and Cash Equivalents	(186,444.18)
Cash and Cash Equivalents at Beginning of Year	<u>389,445.60</u>
Cash and Cash Equivalents at End of Year	<u>\$ 203,001.42</u>

See Accompanying Notes and Accountant's Compilation Report

C.O.V. INC. DBA CODE OF VETS, INC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by C.O.V. Inc dba Code of Vets, Inc. (the Organization) are as follows:

ORGANIZATION AND NATURE OF ACTIVITIES

The Organization is a voluntary health and welfare organization incorporated on October 23, 2018, under the laws of the state of Tennessee. The purpose of the Organization is to provide immediate financial assistance to honorably discharged veterans and their families who are in need, crisis or distress. The Organization is primarily supported by donations from individual donors located in the United States of America.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis of accounting, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Modifications to the cash basis of accounting includes recording depreciation on property and equipment.

BASIS OF PRESENTATION

The Organization reports information regarding its net assets and revenues based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups 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.
- > 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 are perpetual in nature, whereby the donor has stipulated the funds to be maintained in perpetuity. For the year ended December 31, 2021, the Organization did not have any contributions with donor restrictions.

CONTRIBUTIONS

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulation 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 support, revenue, expenses, and changes in net assets - modified cash basis as net assets released from restrictions.

PROPERTY AND EQUIPMENT

Property and equipment in excess of \$500.00 are carried at cost and are being depreciated using the straight-line method over the estimated useful life of the asset. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation expense for the year ended December 31, 2021, is \$204.12.

C.O.V. INC. DBA CODE OF VETS, INC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ESTIMATES

The preparation of financial statements in conformity with modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows - modified cash basis, the Organization considers all time deposits, certificates of deposit, and securities with original maturities of three months or less to be cash equivalents.

DONATED SERVICES

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with providing assistance to Veterans and their families.

ADVERTISING

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was \$579.00 for the year ended December 31, 2021.

COST ALLOCATION

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses are allocated on the basis of estimates of actual usage within each functional category.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents approximate fair value because of the short maturity of those financial instruments.

The Organization's financial instruments at December 31, 2021, are summarized as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 203,001.42	\$ 203,001.42

INCOME TAXES

The Organization is a not-for-profit organization exempt from federal income taxes and classified as a private foundation under Internal Revenue Code Section 501(c)(3).

The Financial Accounting Standards Board issued ASC 740-10, which prescribed a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. The Organization believes it has support for any tax position taken, and as such does not have any uncertain tax positions that are material to the financial statements.

The Organization's Federal Returns of Private Foundation (Form 990-PF) are subject to examination by the IRS, generally for three years after they were filed.

C.O.V. INC. DBA CODE OF VETS, INC
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE B - CONCENTRATION OF CREDIT RISK

The Organization maintains bank accounts in two banks. The Federal Deposit Insurance Corporation (FDIC) secures these bank accounts up to \$250,000. All amounts in these accounts were considered insured at December 31, 2021.

NOTE C - MAJOR DONORS

Contributions, gifts, and grants are generally made by individuals and organizations primarily located within the United States of America. Three donors aggregated approximately 28% of total support during the year ended December 31, 2021.

NOTE D - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of assets, liabilities and net assets - modified cash basis date. There are no amounts considered unavailable for general use because of contractual or donor-imposed restrictions within one year of the statement of assets, liabilities, and net assets - modified cash basis date.

Financial assets available to meet cash needs for general expenditures within one year	\$ 203,001.42
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As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures become due.

NOTE E - CONSEQUENCES OF COVID-19

In March 2020, the World Health Organization declared the outbreak of novel coronavirus disease ("COVID-19") as a pandemic, and the Organization expects operations to be affected as the virus continues to proliferate. The Organization has adjusted certain aspects of their operations to protect their employees and those they serve while still meeting the needs of the Organization. The Organization will continue to monitor the situation closely and it is possible that they will implement further measures. In light of uncertainty as to the severity and duration of the pandemic, the impact on revenues, support, and net assets is uncertain at this time.

NOTE F - SUBSEQUENT EVENTS

Subsequent events were evaluated through April 14, 2022, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

C.O.V. INC. DBA CODE OF VETS, INC
SCHEDULE OF DONATIONS AND OPERATING COSTS
Periods October 23, 2018 to December 31, 2021

Support		
Contributions, Gifts, and Grants - Received	\$ 5,769,972.63	
Revenue		
Other Income	42,888.36	
Gain (loss) on Foreign Currency Exchange	<u>0.57</u>	
Total Support	5,812,861.56	
Expenses		
Program Activities	5,503,305.33	98%
Supporting Activities	<u>105,806.39</u>	2%
Total Expenses	<u>5,609,111.72</u>	
Change in Net Assets	<u>\$ 203,749.84</u>	

See Accompanying Notes and Accountant's Compilation Report