

Women's Information Services, Inc.

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

Years ended September 30, 2019
and September 30, 2018

Women's Information Services, Inc.

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317 S James Street
Ludington, MI 49431
(231) 843-4085

INDEPENDENT AUDITOR'S REPORT

February 17, 2020

To the Board of Directors
Women's Information Services, Inc.
Big Rapids, MI 49307

We have audited the accompanying financial statements of the Women's Information Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2019 and September 30, 2018, 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 audit. We conducted our audit 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 Women's Information Services, Inc. as of September 30, 2019 and September 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Lake Michigan CPA Services, PLLC

February 17, 2020
Ludington, Michigan

Women's Information Services, Inc.

Statement of Financial Position
September 30, 2019 and September 30, 2018

ASSETS

	2019	2018
CURRENT ASSETS		
Cash and cash equivalents	\$ 145,978	\$ 173,688
Investments	50,210	49,284
Grants receivable	34,251	33,175
Other receivables	3,706	3,086
Prepaid expenses	6,626	8,669
Deposit on leased property	800	800
Total current assets	<u>241,571</u>	<u>268,702</u>
NONCURRENT ASSETS		
Land	2,000	2,000
Buildings and improvements	256,018	256,018
Furniture and equipment	22,743	22,743
MSHDA rental houses	446,547	446,547
Less: accumulated depreciation	<u>(322,356)</u>	<u>(303,319)</u>
Total noncurrent assets	<u>404,952</u>	<u>423,989</u>
Total assets	<u>\$ 646,523</u>	<u>\$ 692,691</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 31,967	\$ 32,012
Accrued liabilities	28,477	28,707
Unearned revenue	18,794	23,409
Total current liabilities	<u>79,238</u>	<u>84,128</u>
NONCURRENT LIABILITIES		
MSHDA mortgages	<u>528,585</u>	<u>528,585</u>
Total liabilities	607,823	612,713
NET ASSETS		
Reserved for:		
Replacement and operating reserves	38,700	47,513
Undesignated	-	32,465
Total net assets	<u>38,700</u>	<u>79,978</u>
Total liabilities and net assets	<u>\$ 646,523</u>	<u>\$ 692,691</u>

The accompanying notes are an integral part of this statement.

Women's Information Services, Inc.

Statement of Activities
For the Years Ended September 30, 2019 and September 30, 2018

REVENUES, GAINS, AND OTHER SUPPORT

	2019	2018
Federal grants	\$ 323,187	\$ 298,854
State and local grants	190,360	191,906
Contributions	62,503	67,840
Program service fees	15,697	8,797
Fundraising	26,972	15,804
Rental income	20,826	31,819
Store sales	32,122	46,833
Unrealized gain/(loss) on investments	926	1,398
Investment income	155	195
Total revenues, gains, and other support	<u>672,748</u>	<u>663,446</u>

EXPENSES

Program services	617,511	587,587
Supporting services		
Management and general	87,989	90,205
Fundraising	8,526	3,461
Total expenses	<u>714,026</u>	<u>681,253</u>
Change in net assets	<u>(41,278)</u>	<u>(17,807)</u>
Net assets at October 1	79,978	97,785
Net assets at September 30	<u>\$ 38,700</u>	<u>\$ 79,978</u>

The accompanying notes are an integral part of this statement.

Women's Information Services, Inc.

Statement of Functional Expenses For the Year Ended September 30, 2019

	Program Services	Supporting Services		Total
		Management and general	Fundraising	
Salaries and wages	\$ 368,974	68,113	\$ -	\$ 437,087
Payroll taxes	50,148	5,572	-	55,720
Employee benefits	30,865	3,407	-	34,272
Advertising	1,896	210	-	2,106
Bad debt	726	-	-	726
Community awareness	1,651	-	-	1,651
Contract services	12,182	-	-	12,182
Dues and subscriptions	4,478	498	-	4,976
Depreciation	17,133	1,904	-	19,037
Equipment rental	4,719	-	-	4,719
Fees and licenses	1,825	202	-	2,027
Fundraising expenses	-	-	8,526	8,526
Insurance	15,713	1,457	-	17,170
Occupancy	37,036	3,010	-	40,046
Office expense	2,048	228	-	2,276
Other expense	5,292	412	-	5,704
Postage	968	108	-	1,076
Professional development	-	1,334	-	1,334
Professional fees	3,420	380	-	3,800
Program supplies	9,873	-	-	9,873
Repairs and maintenance	14,596	-	-	14,596
Specific assistance	12,746	-	-	12,746
Telephone and communication	10,381	1,154	-	11,535
Transportation	10,841	-	-	10,841
	<u>\$ 617,511</u>	<u>\$ 87,989</u>	<u>\$ 8,526</u>	<u>\$ 714,026</u>

The accompanying notes are an integral part of this statement.

Women's Information Services, Inc.

Statement of Functional Expenses For the Year Ended September 30, 2018

	Program Services	Supporting Services		Total
		Management and general	Fundraising	
Salaries and wages	\$ 350,257	63,803	\$ -	\$ 414,060
Payroll taxes	51,941	5,771	-	57,712
Employee benefits	25,471	2,810	-	28,281
Advertising	2,532	798	-	3,330
Bad debt	-	-	-	-
Contract services	7,077	-	-	7,077
Dues and subscriptions	-	7,706	-	7,706
Depreciation	17,826	1,980	-	19,806
Fees and licenses	1,997	-	-	1,997
Fundraising expenses	-	-	3,461	3,461
Insurance	12,916	1,435	-	14,351
Occupancy	44,305	3,058	-	47,363
Office expense	8,734	224	-	8,958
Other expense	3,722	67	-	3,789
Postage	1,074	120	-	1,194
Professional development	-	816	-	816
Professional fees	3,420	380	-	3,800
Repairs and maintenance	10,882	-	-	10,882
Specific assistance	6,670	-	-	6,670
Supplies	13,651	-	-	13,651
Telephone and communication	11,136	1,237	-	12,373
Transportation	13,976	-	-	13,976
	<u>\$ 587,587</u>	<u>\$ 90,205</u>	<u>\$ 3,461</u>	<u>\$ 681,253</u>

The accompanying notes are an integral part of this statement.

Women's Information Services, Inc.

Statements of Cash Flows
For the Years Ended September 30, 2019 and September 30, 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ (41,278)	\$ (17,807)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation	19,037	19,806
(Increase)/decrease in operating assets:		
Receivables	(1,696)	(19,629)
Prepaid expenses	2,043	105
Deposit on leased property	-	-
Increase/(decrease) in operating liabilities:		
Accounts payable	(45)	31,037
Accrued liabilities	(230)	(408)
Unearned revenue	(4,615)	(28,815)
Net cash provided by operating activities	<u>(26,784)</u>	<u>(15,711)</u>
 CASH FLOWS FOR CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	<u>-</u>	<u>(6,642)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(12,496)
Unrealized gain/loss on investments	<u>(926)</u>	<u>(1,398)</u>
Net cash used by investing activities	(926)	(13,894)
 NET CHANGE IN CASH AND CASH EQUIVALENTS	(27,710)	(36,247)
 Cash at October 1	<u>173,688</u>	<u>209,935</u>
 Cash at September 30	<u>\$ 145,978</u>	<u>\$ 173,688</u>

The accompanying notes are an integral part of this statement.

Women's Information Services, Inc.

Notes to the Financial Statements
September 30, 2019 and September 30, 2018

Note A. Summary of significant accounting policies

Organization and basis of presentation

Women's Information Services, Inc. is a non-for-profit organization located in Mecosta County, which operates a domestic violence resource center. The Organization provides crisis support and advocacy to victims of domestic violence and sexual assault. Services include emergency and long-term housing assistance, crisis and support counseling, information and referral services. The Organization is incorporated under the laws of the State of Michigan and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business income. During the years ended September 30, 2019 and September 30, 2018, the Organization did not engage in any activity that would result in an income tax liability.

The financial statements of Women's Information Services, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets include resources over which the Board of Directors has discretionary control. Temporarily restricted net assets are resources which are subject to donor imposed restrictions, which will be satisfied by the actions of the Organization or passage of time. Restricted contributions received in the same year in which the restrictions are met are recorded as an increase in unrestricted support at the time of receipt.

Revenues are reported as increases in unrestricted net assets unless the use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

Women's Information Services, Inc.

Notes to the Financial Statements
September 30, 2019 and September 30, 2018

Cash and Cash Equivalents

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

Grants Receivable

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. There were no receivables that were expected to be uncollectible at September 30, 2019 or September 30, 2018.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Property and Equipment

All acquisitions of property and equipment over \$1,000 that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset as follows:

	<u>Years</u>
Buildings and improvements	7-40
Furniture and equipment	3-10
MSHDA rental houses	39

It is not the Organization's policy to imply time restrictions expiring over the useful life of the donated asset. In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as unrestricted support.

Women's Information Services, Inc.

Notes to the Financial Statements
September 30, 2019 and September 30, 2018

Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, solicitations, and various committee assignments. The Organization receives more than 1,500 volunteer hours per year.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Prepaid Expenses

The Organization prepays a portion of its insurance in advance, which is recorded as a prepaid expense.

Unearned Revenue

Grant receipts received before all the expense have been incurred are considered unearned and recognized over the periods to which the expenses relate.

Advertising

The Organization uses advertising to promote its programs to the clients it serves. The costs of advertising are expensed as incurred. For the year ended September 30, 2019, advertising costs totaled \$2,106 and for the year ended September 30, 2018, advertising costs totaled \$3,330.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Women's Information Services, Inc.

Notes to the Financial Statements
September 30, 2019 and September 30, 2018

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.

Note B. Cash and Investments

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash deposits. The Organization maintains its cash balances with one financial institution. As of September 30, 2019 and September 30, 2018, all of the Organization's cash balances were insured by the Federal Deposit Insurance Corporation.

The Organization has invested in mutual funds. The fair values of the Organization's financial instruments were as follows at September 30, 2019 and September 30, 2018:

	September 30, 2019		September 30, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Mutual fund investments	\$ <u>50,210</u>	\$ <u>50,210</u>	\$ <u>49,284</u>	\$ <u>49,284</u>

The investments consisted of managed domestic and international mutual funds.

Note C. Receivables

Grants earned but not received by September 30, 2019 and September 30, 2018 and consisted of the following:

	September 30	
	2019	2018
Michigan Domestic Violence Prevention and Treatment Grant	\$ 10,498	\$ 10,606
DVES Grant	107	5,230
Services, Training, Officers, and Prosecutors (STOP) Grant	3,263	4,875
Victims of Crime Act (VOCA) Grant	16,981	9,552
State and local grants	<u>3,402</u>	<u>2,912</u>
	\$ <u>34,251</u>	\$ <u>33,175</u>

Women's Information Services, Inc.

Notes to the Financial Statements
September 30, 2019 and September 30, 2018

Other receivables totaled \$3,706 at September 30, 2019 and \$3,086 at September 30, 2018 and were the result of rent earned, but not yet received, and fundraising pledges outstanding.

Note D. Land, Buildings, and Equipment

Fixed asset activity for the year ended September 30, 2019 was as follows:

	Balance October 1, 2018	Additions	Deletions	Balance September 30, 2019
Capital assets, not being depreciated				
Land	\$ 2,000	\$ -	\$ -	\$ 2,000
Capital assets, being depreciated				
Buildings and improvements	256,018	-	-	256,018
Furniture and equipment	22,743	-	-	22,743
MSHDA rental houses	446,547	-	-	446,547
Total	<u>725,308</u>	<u>-</u>	<u>-</u>	<u>725,308</u>
Less accumulated depreciation				
Buildings and improvements	163,455	5,603	-	169,058
Furniture and equipment	14,346	2,227	-	16,573
MSHDA rental houses	125,518	11,207	-	136,725
Total accumulated depreciation	<u>303,319</u>	<u>19,037</u>	<u>-</u>	<u>322,356</u>
Net capital assets, being depreciated	<u>421,989</u>	<u>(19,037)</u>	<u>-</u>	<u>402,952</u>
Total capital assets	\$ <u>423,989</u>	\$ <u>(19,037)</u>	\$ <u>-</u>	\$ <u>404,952</u>

Women's Information Services, Inc.

Notes to the Financial Statements
September 30, 2019 and September 30, 2018

Fixed asset activity for the year ended September 30, 2018 was as follows:

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
Capital assets, not being depreciated				
Land	\$ 2,000	\$ -	\$ -	\$ 2,000
Capital assets, being depreciated				
Buildings and improvements	249,376	6,642	-	256,018
Furniture and equipment	22,743	-	-	22,743
MSHDA rental houses	446,547	-	-	446,547
Total	<u>718,666</u>	<u>6,642</u>	<u>-</u>	<u>725,308</u>
Less accumulated depreciation				
Buildings and improvements	157,946	5,509	-	163,455
Furniture and equipment	11,256	3,090	-	14,346
MSHDA rental houses	114,311	11,207	-	125,518
Total accumulated depreciation	<u>283,513</u>	<u>19,806</u>	<u>-</u>	<u>303,319</u>
Net capital assets, being depreciated	<u>435,153</u>	<u>(13,164)</u>	<u>-</u>	<u>421,989</u>
Total capital assets	<u>\$ 437,153</u>	<u>\$ (13,164)</u>	<u>\$ -</u>	<u>\$ 423,989</u>

Note E. Financial awards

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

Note F. Community Foundation Endowments

Women's Information Services, Inc. has endowment accounts at the Fremont Area Community Foundation and the Mecosta County Community Foundation which were established by contributions from donors. The foundations have complete variance power over these accounts. Except for an annual distribution of earnings which the foundations may offer, no other amounts are accessible by Women's Information Services, Inc., unless specifically approved by the foundations.

Women's Information Services, Inc.

Notes to the Financial Statements
September 30, 2019 and September 30, 2018

Note G. Long-term debt

The Organization owns four houses in three counties to provide safe and affordable housing to survivors of domestic violence through projects funded by the Michigan State Housing Development Authority. The housing authority holds mortgages on these projects in the amount of \$528,585. The term of the agreement is fifty years. The agreement does not require the Organization to make payments on the mortgage.

Note H. Leases

The Organization is leasing management space and retail store space with monthly payments of \$425 and \$800 per month, respectively. Total rent expense for the year ended September 30, 2019 was \$17,700 and \$20,900 for the year ended September 30, 2018.

Note I. Date of management review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 17, 2020, the date the financial statements were available to be issued.