

Women's Information Services, Inc.

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

Years ended September 30, 2021
and September 30, 2020

Women's Information Services, Inc.

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INDEPENDENT AUDITOR'S REPORT

April 29, 2022

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, 2021 and September 30, 2020, and the related statements of revenues, expenses, and other changes in net assets without donor restrictions, 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, 2021 and September 30, 2020, and the related statements of revenues, expenses, and other changes in net assets without donor restrictions, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Lake Michigan CPA Services, PLLC

April 29, 2022
Ludington, Michigan

Women's Information Services, Inc.

Statements of Financial Position
September 30, 2021 and September 30, 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 151,222	\$ 150,930
Investments	70,681	55,673
Grants receivable	49,852	53,776
Other receivables	12,795	229
Prepaid expenses	6,903	6,115
Deposit on leased property	800	800
Total current assets	<u>292,253</u>	<u>267,523</u>
NONCURRENT ASSETS		
Land	2,000	2,000
Construction in progress	-	92,210
Buildings and improvements	394,972	256,018
Furniture and equipment	32,493	22,743
MSHDA rental houses	446,547	446,547
Less: accumulated depreciation	<u>(361,465)</u>	<u>(340,743)</u>
Total noncurrent assets	<u>514,547</u>	<u>478,775</u>
Total assets	<u>\$ 806,800</u>	<u>\$ 746,298</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 8,332	\$ 7,855
Accrued liabilities	27,364	23,616
Unearned revenue	32,470	52,932
Total current liabilities	<u>68,166</u>	<u>84,403</u>
NONCURRENT LIABILITIES		
Loan payable	48,171	59,150
MSHDA mortgages	<u>528,585</u>	<u>528,585</u>
Total noncurrent liabilities	<u>576,756</u>	<u>587,735</u>
Total liabilities	644,922	672,138
NET ASSETS		
Without donor restrictions		
Undesignated	136,878	
Designated by the Board for facility improvements	<u>25,000</u>	<u>109,620</u>
Total net assets	<u>161,878</u>	<u>109,620</u>
Total liabilities and net assets	<u>\$ 806,800</u>	<u>\$ 781,758</u>

The accompanying notes are an integral part of this statement.

Women's Information Services, Inc.

Statements of Revenues, Expenses, and Other Changes in Net Assets without Donor
Restrictions For the Years Ended September 30, 2021 and September 30, 2020

REVENUES, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS

	2021	2020
Federal grants	\$ 562,306	\$ 418,648
State and local grants	229,172	301,679
Contributions	68,599	68,780
Program service fees	15,188	12,500
Fundraising	30,579	23,112
Rental income	24,526	22,345
Store sales	-	11,452
Unrealized gain/(loss) on investments	15,007	5,463
Investment income	14	88
Total revenues, gains, and other support	945,391	864,067

EXPENSES

Program services	740,021	716,195
Supporting services		
Management and general	102,560	110,710
Fundraising	15,092	1,702
Total expenses	857,673	828,607
Change in net assets	87,718	35,460
Net assets at October 1	74,160	38,700
Net assets at September 30	\$ 161,878	\$ 74,160

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, 2021

	Program Services	Supporting Services		Total
		Management and general	Fundraising	
Salaries and wages	\$ 394,824	73,501	\$ 11,162	\$ 479,487
Payroll taxes	39,393	7,350	1,116	47,859
Employee benefits	25,078	2,769	-	27,847
Advertising	866	96	-	962
Community awareness	2,257	-	-	2,257
Contract services	12,553	1,069	-	13,622
Dues and subscriptions	9,331	1,035	-	10,366
Depreciation	18,650	2,072	-	20,722
Equipment expenses	7,512	7,280	-	14,792
Fees and licenses	728	81	-	809
Fundraising expenses	-	-	2,814	2,814
Insurance	15,362	1,256	-	16,618
Interest	2,461	-	-	2,461
Occupancy	31,767	2,262	-	34,029
Office expense	2,661	-	-	2,661
Other expense	1,382	-	-	1,382
Postage	698	78	-	776
Professional development	-	1,602	-	1,602
Professional fees	3,690	410	-	4,100
Program supplies	18,892	-	-	18,892
Repairs and maintenance	15,670	135	-	15,805
Specific assistance	122,176	-	-	122,176
Telephone and technology	11,176	1,242	-	12,418
Transportation	2,894	322	-	3,216
	\$ 740,021	\$ 102,560	\$ 15,092	\$ 857,673

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, 2020

	Program Services	Supporting Services		Total
		Management and general	Fundraising	
Salaries and wages	\$ 400,792	89,010	\$ -	\$ 489,802
Payroll taxes	45,998	5,111	-	51,109
Employee benefits	29,221	3,227	-	32,448
Advertising	1,718	128	-	1,846
Bad debt	267	-	-	267
Community awareness	1,801	-	-	1,801
Contract services	9,980	-	-	9,980
Dues and subscriptions	10,306	1,145	-	11,451
Depreciation	16,548	1,839	-	18,387
Equipment rental	3,942	438	-	4,380
Fees and licenses	5,350	594	-	5,944
Fundraising expenses	-	-	1,702	1,702
Insurance	16,083	1,363	-	17,446
Interest	-	270	-	270
Occupancy	65,526	2,830	-	68,356
Office expense	8,703	478	-	9,181
Other expense	219	20	-	239
Postage	1,061	118	-	1,179
Professional development	-	652	-	652
Professional fees	3,600	400	-	4,000
Program supplies	17,635	381	-	18,016
Repairs and maintenance	9,295	-	-	9,295
Specific assistance	43,797	-	-	43,797
Telephone and technology	18,848	2,094	-	20,942
Transportation	5,505	612	-	6,117
	<u>\$ 716,195</u>	<u>\$ 110,710</u>	<u>\$ 1,702</u>	<u>\$ 828,607</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, 2021 and September 30, 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 87,718	\$ 35,460
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation	20,722	18,387
(Increase)/decrease in operating assets:		
Receivables	(8,642)	(16,048)
Prepaid expenses	(788)	511
Increase/(decrease) in operating liabilities:		
Accounts payable	477	(24,112)
Accrued liabilities	3,747	(4,861)
Unearned revenue	(20,462)	34,138
Net cash provided by operating activities	<u>82,772</u>	<u>43,475</u>
CASH FLOWS FOR CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(56,494)	(92,210)
Net proceeds from/(payments on) loans payable	<u>(10,979)</u>	<u>59,150</u>
Net cash provided by/(used for) capital and financing	<u>(67,473)</u>	<u>(33,060)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	-
Unrealized gain/loss on investments	<u>(15,007)</u>	<u>(5,463)</u>
Net cash used by investing activities	<u>(15,007)</u>	<u>(5,463)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	292	4,952
Cash at October 1	<u>150,930</u>	<u>145,978</u>
Cash at September 30	<u>\$ 151,222</u>	<u>\$ 150,930</u>

Cash paid for interest was \$2,461 for the year ended September 30, 2021 and was \$270 for the year ended September 30, 2020.

The accompanying notes are an integral part of this statement.

Women's Information Services, Inc.

Notes to the Financial Statements
September 30, 2021 and September 30, 2020

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, 2021 and September 30, 2020, 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 reports information regarding its financial position and activities according to two classes of net assets: donor restricted net assets and net assets without donor restrictions. Net assets without donor restrictions include resources over which the Board of Directors has discretionary control. Net assets with donor restrictions 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, 2021 and September 30, 2020

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, 2021 or September 30, 2020.

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, 2021 and September 30, 2020

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, 2021, advertising costs totaled \$962 and for the year ended September 30, 2020, advertising costs totaled \$1,846.

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, 2021 and September 30, 2020

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, 2021 and September 30, 2020, 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, 2021 and September 30, 2020:

	September 30, 2021		September 30, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Mutual fund investments	\$ <u>70,681</u>	\$ <u>70,681</u>	\$ <u>55,673</u>	\$ <u>55,673</u>

The investments consisted of managed domestic and international mutual funds.

Note C. Receivables

Grants earned but not received by September 30, 2021 and September 30, 2020 and consisted of the following:

	September 30	
	2021	2020
Michigan Domestic Violence Prevention and Treatment Grant	\$ 10,187	\$ 10,886
DVES Grant	4,478	3,951
Victims of Crime Act (VOCA) Grant	33,783	34,011
State and local grants	1,404	4,928
	\$ <u>49,852</u>	\$ <u>53,776</u>

Women's Information Services, Inc.

Notes to the Financial Statements
September 30, 2021 and September 30, 2020

Other receivables totaled \$12,795 at September 30, 2021 and \$229 at September 30, 2020 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, 2021 included building improvements and a generator. The activity summary was as follows:

	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021
Capital assets, not being depreciated				
Land	\$ 2,000	\$ -	\$ -	\$ 2,000
Construction in progress	92,210	-	92,210	-
Total	<u>94,210</u>	<u>-</u>	<u>92,210</u>	<u>2,000</u>
Capital assets, being depreciated				
Buildings and improvements	256,018	138,954	-	394,972
Furniture and equipment	22,743	9,750	-	32,493
MSHDA rental houses	446,547	-	-	446,547
Total	<u>725,308</u>	<u>148,704</u>	<u>-</u>	<u>874,012</u>
Less accumulated depreciation				
Buildings and improvements	174,510	7,789	-	182,299
Furniture and equipment	18,301	1,726	-	20,027
MSHDA rental houses	147,932	11,207	-	159,139
Total accumulated depreciation	<u>340,743</u>	<u>20,722</u>	<u>-</u>	<u>361,465</u>
Net capital assets, being depreciated	<u>384,565</u>	<u>127,982</u>	<u>-</u>	<u>512,547</u>
Total capital assets	<u>\$ 478,775</u>	<u>\$ 127,982</u>	<u>\$ 92,210</u>	<u>\$ 514,547</u>

Women's Information Services, Inc.

Notes to the Financial Statements
September 30, 2021 and September 30, 2020

Fixed asset activity for the year ended September 30, 2020 was as follows:

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
Capital assets, not being depreciated				
Land	\$ 2,000	\$ -	\$ -	\$ 2,000
Construction in progress	-	92,210	-	92,210
Total	<u>2,000</u>	<u>92,210</u>	<u>-</u>	<u>94,210</u>
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	169,058	5,452	-	174,510
Furniture and equipment	16,573	1,728	-	18,301
MSHDA rental houses	136,725	11,207	-	147,932
Total accumulated depreciation	<u>322,356</u>	<u>18,387</u>	<u>-</u>	<u>340,743</u>
Net capital assets, being depreciated	<u>402,952</u>	<u>(18,387)</u>	<u>-</u>	<u>384,565</u>
Total capital assets	\$ <u>404,952</u>	\$ <u>73,823</u>	\$ <u>-</u>	\$ <u>478,775</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, 2021 and September 30, 2020

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.

During the year ended September 30, 2020, the Organization obtained a bank loan to finance the cost of building office space. The long-term debt activity for the year ended September 30, 2021 was as follows:

	Balance September 30, 2020	Increases	Reductions	Balance September 30, 2021
50 Year MSHDA mortgages	\$ 528,585	\$ -	\$ -	\$ 528,585
Bank loan payable at 4.5% in monthly installments of \$1,120	59,150	-	10,979	48,171
Total	\$ <u>587,735</u>	\$ <u>-</u>	\$ <u>10,979</u>	\$ <u>576,756</u>

Note H. Leases

The Organization is leasing management space and storage space with monthly payments of \$800 per month. A lease for commercial space was \$425 per month, but those lease payments terminated in November of 2020. Total rent expense for the year ended September 30, 2021 was \$14,071 and \$17,938 for the year ended September 30, 2020.

Note I. Date of management review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 29, 2021, the date the financial statements were available to be issued.