

Women's Information Services, Inc.

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

Years ended September 30, 2022
and September 30, 2021

Women's Information Services, Inc.

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INDEPENDENT AUDITORS' REPORT

January 26, 2023

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

We have audited the accompanying financial statements of Women's Information Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2022 and September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and September 30, 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Women's Information Services, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Women's Information Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and

therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Women's Information Services, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Women's Information Services, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Lake Michigan CPA Services, PLLC

Ludington, Michigan
January 26, 2023

Women's Information Services, Inc.

Statements of Financial Position
September 30, 2022 and September 30, 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	\$ 228,870	\$ 151,222
Investments	80,821	70,681
Grants receivable	39,934	49,852
Other receivables	3,560	12,795
Prepaid expenses	6,314	6,903
Other current assets	2,973	800
Total current assets	<u>362,472</u>	<u>292,253</u>
NONCURRENT ASSETS		
Land	2,000	2,000
Buildings and improvements	394,972	394,972
Furniture and equipment	32,493	32,493
MSHDA rental houses	446,547	446,547
Less: accumulated depreciation	<u>(384,554)</u>	<u>(361,465)</u>
Total noncurrent assets	<u>491,458</u>	<u>514,547</u>
Total assets	<u>\$ 853,930</u>	<u>\$ 806,800</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 4,046	\$ 8,332
Accrued liabilities	35,811	27,364
Unearned revenue	29,050	32,470
Total current liabilities	<u>68,907</u>	<u>68,166</u>
NONCURRENT LIABILITIES		
Loan payable	36,682	48,171
MSHDA mortgages	<u>528,585</u>	<u>528,585</u>
Total noncurrent liabilities	<u>565,267</u>	<u>576,756</u>
Total liabilities	<u>634,174</u>	<u>644,922</u>
NET ASSETS		
With donor restrictions	4,928	-
Without donor restrictions		
Undesignated	159,828	136,878
Designated by the Board for facility improvements	<u>55,000</u>	<u>25,000</u>
Total net assets	<u>219,756</u>	<u>161,878</u>
Total liabilities and net assets	<u>\$ 853,930</u>	<u>\$ 806,800</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
For the Years Ended September 30, 2022 and September 30, 2021

	For the Year Ended June 30, 2022			
REVENUES, GAINS, AND OTHER SUPPORT	Without donor restrictions	With donor restrictions	Total	June 30, 2021
Federal grants	\$ 504,273	\$ -	\$ 504,273	\$ 562,306
State and local grants	183,729	-	183,729	229,172
Contributions	67,577	5,993	73,570	68,599
Program service fees	13,725	-	13,725	15,188
Fundraising	68,455	-	68,455	30,579
Rental income	41,256	-	41,256	24,526
Unrealized gain/(loss) on investments	(19,860)	-	(19,860)	15,007
Investment income	107	-	107	14
Total revenues, gains, and other support	859,262	5,993	865,255	945,391
Net assets released from restrictions	1,065	(1,065)	-	-
Total revenues and net assets released from restrictions	860,327	4,928	865,255	945,391
EXPENSES				
Program services	691,817	-	691,817	740,021
Supporting services				
Management and general	97,392	-	97,392	102,560
Fundraising	18,168	-	18,168	15,092
Total expenses	807,377	-	807,377	857,673
Change in net assets	52,950	4,928	57,878	87,718
Net assets at October 1	161,878	-	161,878	74,160
Net assets at September 30	\$ 214,828	\$ 4,928	\$ 219,756	\$ 161,878

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, 2022

	Supporting Services			Total
	Program Services	Management and general	Fundraising	
Salaries and wages	\$ 394,100	73,501	\$ 11,162	\$ 478,763
Payroll taxes	44,579	7,350	1,116	53,045
Employee benefits	25,489	2,818	-	28,307
Advertising	930	103	-	1,033
Community awareness	9,990	-	-	9,990
Contract services	14,179	2,431	-	16,610
Dues and subscriptions	10,775	1,197	-	11,972
Depreciation	20,780	2,309	-	23,089
Fees and licenses	772	86	-	858
Fundraising expenses	-	-	5,890	5,890
Insurance	14,840	1,307	-	16,147
Interest	1,951	-	-	1,951
Occupancy	49,600	2,422	-	52,022
Office expense	2,823	956	-	3,779
Other expense	333	37	-	370
Postage	943	105	-	1,048
Professional development	1,932	215	-	2,147
Professional fees	3,600	400	-	4,000
Program supplies	13,911	267	-	14,178
Repairs and maintenance	12,105	139	-	12,244
Specific assistance	51,698	-	-	51,698
Telephone and technology	14,162	1,491	-	15,653
Transportation	2,325	258	-	2,583
	\$ 691,817	\$ 97,392	\$ 18,168	\$ 807,377

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
	<u>\$ 740,021</u>	<u>\$ 102,560</u>	<u>\$ 15,092</u>	<u>\$ 857,673</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, 2022 and September 30, 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 57,878	\$ 87,718
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation	23,089	20,722
(Increase)/decrease in operating assets:		
Receivables	19,153	(8,642)
Prepaid expenses	589	(788)
Increase/(decrease) in operating liabilities:		
Accounts payable	(4,286)	477
Accrued liabilities	8,447	3,747
Unearned revenue	(3,420)	(20,462)
Net cash provided by operating activities	<u>101,450</u>	<u>82,772</u>
CASH FLOWS FOR CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	-	(56,494)
Net payments on loans payable	<u>(11,489)</u>	<u>(10,979)</u>
Net cash provided by/(used for) capital and financing	<u>(11,489)</u>	<u>(67,473)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net purchase of investments	(32,173)	-
Unrealized (gain)/loss on investments	<u>19,860</u>	<u>(15,007)</u>
Net cash used by investing activities	<u>(12,313)</u>	<u>(15,007)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	77,648	292
Cash at October 1	<u>151,222</u>	<u>150,930</u>
Cash at September 30	<u>\$ 228,870</u>	<u>\$ 151,222</u>

Cash paid for interest was \$1,951 for the year ended September 30, 2022 and was \$2,461 for the year ended September 30, 2021.

The accompanying notes are an integral part of this statement.

Women's Information Services, Inc.

Notes to the Financial Statements
September 30, 2022 and September 30, 2021

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, 2022 and September 30, 2021, 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, 2022 and September 30, 2021

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, 2022 or September 30, 2021.

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, 2022 and September 30, 2021

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, 2022, advertising costs totaled \$1,033 and for the year ended September 30, 2021, advertising costs totaled \$962.

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, 2022 and September 30, 2021

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, 2022 and September 30, 2021, 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, 2022 and September 30, 2021:

	September 30, 2022		September 30, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Mutual fund investments	\$ <u>80,821</u>	\$ <u>80,821</u>	\$ <u>70,681</u>	\$ <u>70,681</u>

The investments consisted of managed domestic and international mutual funds.

Note C. Receivables

Grants earned but not received by September 30, 2022 and September 30, 2021 and consisted of the following:

	September 30	
	2022	2021
Michigan Domestic Violence Prevention and Treatment Grant	\$ -	\$ 10,187
DV TANF	8,041	
DVES Grant	4,478	4,478
Victims of Crime Act (VOCA) Grant	26,354	33,783
State and local grants	1,061	1,404
	\$ <u>39,934</u>	\$ <u>49,852</u>

Women's Information Services, Inc.

Notes to the Financial Statements
September 30, 2022 and September 30, 2021

Other receivables totaled \$12,795 at September 30, 2022 and \$229 at September 30, 2021 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, 2022 included building improvements and a generator. The activity summary was as follows:

	Balance October 1, 2021	Additions	Deletions	Balance September 30, 2022
Capital assets, not being depreciated				
Land	\$ 2,000	\$ -	\$ -	\$ 2,000
Capital assets, being depreciated				
Buildings and improvements	394,972	-	-	394,972
Furniture and equipment	32,493	-	-	32,493
MSHDA rental houses	446,547	-	-	446,547
Total	<u>874,012</u>	<u>-</u>	<u>-</u>	<u>874,012</u>
Less accumulated depreciation				
Buildings and improvements	182,299	8,926	-	191,225
Furniture and equipment	20,027	2,955	-	22,982
MSHDA rental houses	159,139	11,208	-	170,347
Total accumulated depreciation	<u>361,465</u>	<u>23,089</u>	<u>-</u>	<u>384,554</u>
Net capital assets, being depreciated	<u>512,547</u>	<u>(23,089)</u>	<u>-</u>	<u>489,458</u>
Total capital assets	\$ <u>514,547</u>	\$ <u>(23,089)</u>	\$ <u>-</u>	\$ <u>491,458</u>

Women's Information Services, Inc.

Notes to the Financial Statements
September 30, 2022 and September 30, 2021

Fixed asset activity for the year ended September 30, 2021 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	94,210	-	92,210	2,000
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	725,308	148,704	-	874,012
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	340,743	20,722	-	361,465
Net capital assets, being depreciated	384,565	127,982	-	512,547
Total capital assets	\$ 478,775	\$ 127,982	\$ 92,210	\$ 514,547

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, 2022 and September 30, 2021

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, 2021, 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, 2022 was as follows:

	Balance September 30, 2021	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	48,171	-	11,489	36,682
Total	<u>\$ 576,756</u>	<u>\$ -</u>	<u>\$ 11,489</u>	<u>\$ 565,267</u>

Note H. Leases

The Organization is leasing management space and storage space with monthly payments of \$800 per month. The Organization also leases space from area churches for various program activities as needed. Total rent expense for the year ended September 30, 2022 was \$12,930 and \$14,071 for the year ended September 30, 2021.

Note I. Date of management review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 26, 2023, the date the financial statements were available to be issued.