

BAY AREA WOMEN'S CENTER
BAY CITY, MICHIGAN

FINANCIAL STATEMENTS
DECEMBER 31, 2024



WEINLANDER FITZHUGH
Certified Public Accountants & Advisors

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INDEPENDENT AUDITOR'S REPORT

April 22, 2025

Board of Directors
Bay Area Women's Center
Bay City, Michigan

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bay Area Women's Center (Organization), which comprise the statement of financial position as of December 31, 2024 and the related statements of activities, functional expenses and cash flows for the year 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 Bay Area Women's Center as of December 31, 2024 and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Bay Area Women's Center 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 U.S. generally accepted accounting principles, 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 Bay Area Women's Center'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 GAAS and Government 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, misrepresentation or the override of internal control. Misstatements, including omissions, 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 GAAS and Government 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 Bay Area Women's Center'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 Bay Area Women's Center'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.



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Certified Public Accountants & Advisors

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 U.S. generally accepted auditing standards. 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 22, 2025, on our consideration of Bay Area Women's Center'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 solely 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 the effectiveness of Bay Area Women's Center's 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 Bay Area Women's Center's internal control over financial reporting and compliance.

Weinlander Fitzhugh

BAY AREA WOMEN'S CENTER
Statement of Financial Position
December 31, 2024

ASSETS

Current Assets

Cash and cash equivalents	\$ 566,725
Receivables:	
Contributions receivable	205,083
Accounts receivable - federal and state grants and contracts	44,517
Prepaid expense	5,387
Total current assets	<u>821,712</u>

Property and Equipment

Building	2,553,867
Land improvements	119,297
Furniture and fixtures	48,379
Computer equipment and software	34,241
Office equipment	58,760
	<u>2,814,544</u>
Accumulated depreciation	<u>(1,640,254)</u>
	1,174,290
Land	9,039
Total property and equipment	<u>1,183,329</u>

Noncurrent Assets

Beneficial interest in assets held by Community Foundation	1,405
Investments	1,431,609
Total noncurrent assets	<u>1,433,014</u>
Total Assets	<u><u>\$ 3,438,055</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 4,926
Accrued payroll and payroll taxes	106,309
Deferred revenue	2,110
Total current liabilities	<u>113,345</u>

Net Assets

Without donor restrictions	3,195,079
With donor restrictions	129,631
Total net assets	<u>3,324,710</u>
Total Liabilities and Net Assets	<u><u>\$ 3,438,055</u></u>

See accompanying notes to financial statements.

BAY AREA WOMEN'S CENTER
Statement of Activities
For the Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Support</u>			
Contributions	\$ 324,437	\$ 81,704	\$ 406,141
In-kind revenue	29,063	0	29,063
United Way allocations	0	85,000	85,000
Special events:			
Gross special events revenue	115,234	0	115,234
Less direct expenses	(22,488)	0	(22,488)
Net special events	<u>92,746</u>	<u>0</u>	<u>92,746</u>
Total support	<u>446,246</u>	<u>166,704</u>	<u>612,950</u>
<u>Contracts:</u>			
Federal and state grants and contracts	<u>1,088,437</u>	<u>0</u>	<u>1,088,437</u>
<u>Services fees:</u>			
Program fees	<u>27,659</u>	<u>0</u>	<u>27,659</u>
<u>Other revenue</u>			
Net investment return	77,239	0	77,239
Unrealized gain on investments	<u>35,520</u>	<u>0</u>	<u>35,520</u>
Total other revenue	<u>112,759</u>	<u>0</u>	<u>112,759</u>
Net assets released from restriction- satisfaction of time and purpose restrictions	<u>158,355</u>	<u>(158,355)</u>	<u>0</u>
Total support and revenue	<u>1,833,456</u>	<u>8,349</u>	<u>1,841,805</u>
<u>Expenses</u>			
Program services:			
Domestic Violence	832,743	0	832,743
Community Service	51,428	0	51,428
Sexual Assault	<u>380,315</u>	<u>0</u>	<u>380,315</u>
Total program services	<u>1,264,486</u>	<u>0</u>	<u>1,264,486</u>
Support services:			
Management and general	313,558	0	313,558
Fund development	<u>61,412</u>	<u>0</u>	<u>61,412</u>
Total support services	<u>374,970</u>	<u>0</u>	<u>374,970</u>
Total expenses	<u>1,639,456</u>	<u>0</u>	<u>1,639,456</u>
Change in net assets	194,000	8,349	202,349
Net assets - beginning of year, restated	<u>3,001,079</u>	<u>121,282</u>	<u>3,122,361</u>
Net assets - end of year	<u>\$ 3,195,079</u>	<u>\$ 129,631</u>	<u>\$ 3,324,710</u>

See accompanying notes to financial statements.

BAY AREA WOMEN'S CENTER
Statement of Functional Expenses
For the Year Ended December 31, 2024

	<u>Total</u>	<u>Program Services</u>				<u>Supporting Services</u>		
		<u>Domestic Violence</u>	<u>Community Service</u>	<u>Sexual Assault</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund Development</u>	<u>Total Supporting Services</u>
Salaries and wages	\$ 877,329	\$ 351,512	\$ 38,009	\$ 238,920	\$ 628,441	\$ 198,268	\$ 50,620	\$ 248,888
Employee benefits	102,533	35,591	6,158	22,245	63,994	37,020	1,519	38,539
Payroll taxes	66,094	27,988	2,752	19,324	50,064	12,092	3,938	16,030
Staffing expenses	2,616	0	0	0	0	2,568	48	2,616
Payroll preparation fees	1,774	0	0	0	0	1,774	0	1,774
Workers' compensation	19	0	0	0	0	19	0	19
 Total salaries and related expenses	 1,050,365	 415,091	 46,919	 280,489	 742,499	 251,741	 56,125	 307,866
 Specific assistance to individuals	 216,214	 194,810	 0	 21,397	 216,207	 7	 0	 7
Program supplies	58,845	39,749	461	17,638	57,848	939	58	997
Professional fees	39,764	23,500	0	6,507	30,007	9,757	0	9,757
Maintenance	39,104	22,264	0	12,229	34,493	4,611	0	4,611
In-kind expense	29,063	29,063	0	0	29,063	0	0	0
Utilities	28,200	23,575	0	4,625	28,200	0	0	0
Insurance	26,464	15,726	61	2,854	18,641	7,823	0	7,823
Fundraising expense	22,488	0	0	0	0	36	22,452	22,488
Office supplies	14,655	3,698	298	2,014	6,010	6,253	2,392	8,645
Telephone and answering service	10,155	6,075	80	640	6,795	3,080	280	3,360
Dues and subscriptions	6,037	1,370	135	1,170	2,675	3,362	0	3,362
Travel and meals	4,579	1,110	361	2,414	3,885	694	0	694
Postage	4,535	0	0	0	0	2,608	1,927	4,535
Training and education	3,856	1,146	0	2,305	3,451	405	0	405
Equipment and maintenance	3,842	2,221	0	1,362	3,583	259	0	259
Advertising and publicity	3,781	2,108	0	1,652	3,760	21	0	21
Bank charges	3,361	0	0	0	0	2,695	666	3,361
Other costs	290	0	0	0	0	290	0	290
Rent	835	835	0	0	835	0	0	0
 Total before depreciation	 1,566,433	 782,341	 48,315	 357,296	 1,187,952	 294,581	 83,900	 378,481
Depreciation	95,511	50,402	3,113	23,019	76,534	18,977	0	18,977
Total functional expenses	1,661,944	832,743	51,428	380,315	1,264,486	313,558	83,900	397,458
Less expenses included with revenues on the statement of activities								
Direct special event expenses	(22,488)	0	0	0	0	0	(22,488)	(22,488)
Total expenses included in the expense section of statement of activities	<u>\$ 1,639,456</u>	<u>\$ 832,743</u>	<u>\$ 51,428</u>	<u>\$ 380,315</u>	<u>\$ 1,264,486</u>	<u>\$ 313,558</u>	<u>\$ 61,412</u>	<u>\$ 374,970</u>

See accompanying notes to financial statements.

BAY AREA WOMEN'S CENTER
Statement of Cash Flows
For the Year Ended December 31, 2024

Cash Flows From Operating Activities

Change in net assets	\$ 202,349
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	95,511
Net unrealized gain on investments	(35,520)
Changes in operating assets and liabilities:	
Contributions receivable	(98,582)
Accounts receivable - federal and state grants and contracts	58,284
Prepaid expense	2,380
Accounts payable	131
Accrued payroll and payroll taxes	40,587
Deferred revenue	(6,932)
Net cash flows from operating activities	<u>258,208</u>

Cash Flows From Investing Activities

Purchase of property and equipment	(31,247)
Purchase of investments	<u>(1,006,364)</u>
Net cash flows from investing activities	<u>(1,037,611)</u>

Net change in cash	(779,403)
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Cash and cash equivalents - beginning of year	<u>1,346,128</u>
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Cash and cash equivalents - end of year	<u><u>\$ 566,725</u></u>
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See accompanying notes to financial statements.

BAY AREA WOMEN’S CENTER
Notes to Financial Statements
For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Bay Area Women’s Center (Organization) is a nonprofit organization established to provide counseling and shelter for domestic violence and sexual assault victims in Bay and Arenac Counties. The primary funding source is federal, state and local grants, along with allocations from the United Way of Bay County.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. That is, revenue is recognized when earned and expenses when incurred.

Estimates

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Statement of Cash Flows

For purposes of the statement of cash flows, cash equivalents include time deposits and certificates of deposit with original maturities of three months or less. Interest paid for the year was \$0. There were no non-cash activities during the year, except for donated services and goods described later.

Investments

Investments are recorded at fair market value as follows:

Cash and short-term investments - the carrying amount approximates fair value because of the short maturity of those instruments.

Long-term investments - the fair value of investments are generally based on quoted market prices.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the outstanding balance adjusted for any write-offs and the allowance for doubtful accounts. Management determines the allowance for doubtful accounts based on an evaluation of receivables, past and recent experience, current economic conditions, and other pertinent factors. The allowance for doubtful accounts is increased by the provision charged to operations and reduced by write-offs. There was no allowance for doubtful accounts as of December 31, 2024. The Organization has determined that the allowance for doubtful accounts method does not materially differ from allowance for credit losses.

Receivables from contracts with customers are reported as accounts receivable – federal and state grants and contracts in the accompanying Statement of Financial Position. Contract liabilities are reported as deferred revenue in the accompanying Statement of Financial Position.

BAY AREA WOMEN’S CENTER
Notes to Financial Statements
For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Fundraising revenue is equal to the cost of direct benefit to the donors and contribution revenue for the difference. The Organization recognizes the contribution portion immediately and the exchange portion upon completion of the event. For the year ended December 31, 2024 the Organization recognized \$115,234 in gross fundraising revenue. Management has estimated the exchange portion of fundraising revenue to be \$63,250 and was recognized upon completion of the events. The remaining \$51,984 was considered to be contribution revenue and was recognized immediately.

Management has estimated the exchange portion of the sponsorships and ticket sales that occurred prior to December 31, 2024 was \$2,110. The following table provides information about changes in deferred revenue for the year ended December 31, 2024:

Deferred fundraising revenue, beginning of year	\$ 9,042
Revenue recognized that was included in deferred revenue at beginning of year	(9,042)
Increases in deferred revenue due to cash received during the year	<u>2,110</u>
Deferred fundraising revenue, end of year	<u><u>\$ 2,110</u></u>

The Organization contracts with several agencies, including governmental agencies, for funding to provide services related to the Organization’s mission of providing counseling and shelter for domestic violence and sexual assault victims in Bay and Arenac Counties. Service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services. Generally, the Organization bills the grantor agencies on a monthly basis after services have been performed. Revenue for these services is recognized at a point in time as the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Organization and the stipulations of the grant contract. The Organization does not charge individuals who receive services. All grant contracts that the Organization has entered into have a stated annual maximum amount of reimbursement. The Organization has several ongoing grants funded through the Michigan Department of Health and Human Services.

For the year ended December 31, 2024 the Organization recognized revenue of \$1,088,437 from services that were provided at a point in time.

Contract assets included in accounts receivable – federal and state grants and contracts were \$44,517 at December 31, 2024 and \$102,801 at December 31, 2023.

BAY AREA WOMEN'S CENTER
Notes to Financial Statements
For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net assets with donor restrictions - Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources must be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received, (a) create or enhance non-financial assets or, (b) require a specialized skill that is provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization received contributions of nonprofessional volunteers during the year with an estimated value of \$166,127, primarily for the VOCA program, which are not recorded in the statement of activities under U.S. generally accepted accounting procedures.

Gifts-In-Kind (GIK)

The Organization receives a significant amount of GIK. The GIK are recorded as contributions at their estimated fair value at the date of donation. The GIK are made up of clothing, household items, food, personal needs supplies and other supplies that are used for the Organizations Domestic Violence program. Total value of the GIK was \$29,063 for the year ended December 31, 2024.

Fixed Assets and Depreciation

The Organization capitalizes major expenditures for land, building and equipment at cost. Donations of land, buildings and equipment are recorded as support at their estimated fair value. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

BAY AREA WOMEN’S CENTER
Notes to Financial Statements
For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed Assets and Depreciation (Continued)

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. The Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Depreciation is provided on a straight line basis over the estimated useful lives of the assets.

Building	10-40 years
Land improvements	10-20 years
Equipment	3-10 years

Program Services

The Organization’s program services are segregated into three categories, as follows:

Domestic Violence - This program is focused on providing temporary counseling, emergency shelter and on-going support groups for victims of domestic violence and their families. No fees are charged to users. The program consists of two types, Domestic Violence Residential and Non-Residential. The first provides overnight support while the other is for single day services.

Community Service – This program provides financial and material assistance for the very low income families in Bay and Arenac counties.

Sexual Assault and the Sexual Assault Nurse Examiners Programs – The sexual assault program provides temporary counseling, emergency shelter and support groups to victims of sexual assault. No fees are charged to users. The Sexual Assault Nurse Examiners Program is a team composed of trained forensic nurses, law enforcement and advocates that respond to sexual assault victims seeking treatment after an assault, including pediatric victims of sexual abuse.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Organization. Those expenses are allocated based on staff positions and grant requirements. Many costs are allocated based on fixed percentages based on time studies related to grant activities. Other expenses are either direct as is the case with specific assistance. Remaining expenses are allocated based on the judgement of management.

Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through the date of the accompanying Independent Auditor’s Report, which is the date the financial statements were available to be issued.

BAY AREA WOMEN’S CENTER
Notes to Financial Statements
For the Year Ended December 31, 2024

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, short term investments, long term investments, beneficial interest in endowment, and line of credit. See Note 6 for information about the Organization’s line of credit.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of providing counseling and shelter for domestic violence and sexual assault victims as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, refer to the statement of cash flows which identifies the sources and uses of the Organization’s cash and shows positive cash generated by operations for fiscal year 2024.

As of December 2024, the following tables show the total financial assets held by the Organization and the amounts of those financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

Cash and cash equivalents	\$ 566,725
Contributions receivable	205,083
Accounts receivable - federal and state grants and contracts	44,517
Beneficial interest in endowment	1,405
Investments	<u>1,431,609</u>
Total financial assets	<u>2,249,339</u>
Beneficial interest in endowment	(1,405)
Cash balance with purpose restrictions	(17,131)
Grants, contracts and contributions receivable with time restrictions	<u>(112,500)</u>
	<u>(131,036)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 2,118,303</u></u>

BAY AREA WOMEN'S CENTER
Notes to Financial Statements
For the Year Ended December 31, 2024

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments are stated at fair value and are summarized as follows as of December 31, 2024:

Money market	\$ 992,095
Mutual funds	320,048
Stock and equities	<u>119,466</u>
Totals	<u><u>\$ 1,431,609</u></u>

Professional standards establish a framework for measuring value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under professional standards are described as follows:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 Quoted prices in markets that are not considered to be active or financial statements for which all significant inputs are observable, either directly or indirectly.
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following table presents assets at fair value on a recurring basis during the period by level within the fair value hierarchy, as of December 31, 2024.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market	\$ 992,095	\$ 0	\$ 0	\$ 992,095
Mutual funds	320,048	0	0	320,048
Stock and equities	<u>119,466</u>	<u>0</u>	<u>0</u>	<u>119,466</u>
	<u><u>\$ 1,431,609</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,431,609</u></u>

The following methods and assumptions were used to estimate the fair value of assets and liabilities in the table above:

The fair value of the Organization's stocks and equities is based on quoted market prices.

BAY AREA WOMEN'S CENTER
Notes to Financial Statements
For the Year Ended December 31, 2024

NOTE 4 - RETIREMENT PLAN

The Organization transitioned to a SIMPLE IRA Plan (Plan) covering all employees who earned at least \$5,000 in compensation during any 2 years before the current calendar year and expects to receive at least \$5,000 during the current calendar year. The Organization's contributions are 3% of the participating employees' compensation. Employees must contribute in order to receive the match. Total expenses related to the Plan for the year ended December 31, 2024 were \$22,767.

NOTE 5 - RESTRICTIONS ON ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for specified purpose:

Program specific contributions	\$ 17,131
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Subject to the passage of time:

United Way receivable	42,500
Local foundation grants	70,000
	<u>112,500</u>
	<u><u>\$ 129,631</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2024:

Expiration of time restrictions	\$ 152,500
---------------------------------	------------

Satisfaction of purpose restrictions:

Program specific contributions	<u>5,855</u>
	<u><u>\$ 158,355</u></u>

NOTE 6 - LINE OF CREDIT

The Organization has a \$100,000 line of credit with First State Bank. The interest rate will be equal to the Bank's index rate, not to exceed 7.5% per annum or the maximum rate allowed by applicable law. As of December 31, 2024, the balance of the line of credit is \$0.

NOTE 7 - INCOME TAXES

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization's income tax returns are subject to examination by the appropriate taxing jurisdictions. As of December 31, 2024, the Organization's federal tax return generally remains open for the last three years.

BAY AREA WOMEN'S CENTER
Notes to Financial Statements
For the Year Ended December 31, 2024

NOTE 8 - ENDOWMENT FUND WITH BAY AREA COMMUNITY FOUNDATION

The Organization is the beneficiary under an endowment fund agreement with the Bay Area Community Foundation (Foundation). A portion of the assets, \$1,405 is included in the statement of financial position of the Organization. The remaining portion, \$676,310 is included on the statement of financial position of the Foundation. The Organization does not exercise any control over the principal of the fund but, based on a formula, certain amounts of the fund may be distributed to and expended by the Organization.

Variance power has been granted to the Foundation for the assets in the endowment fund. If the Organization ceases to exist or no longer performs its functions under the provisions of the agreement, the Foundation shall continue to administer and disburse fund assets in a manner deemed appropriate.

The endowment fund includes funds designated by the Organization. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Organization to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Investment and spending policies are determined by the Foundation, in accordance with established guidelines adopted by the Foundation's governing board.

Income available for spending is determined by a total return system. The amount to be spent in the coming year is calculated each September 30th and is reviewed and approved by the Finance Committee annually. The calculation formula is as follows:

- a.) Each year at September 30th a 12 quarter rolling average of the market value of each Fund is determined;
- b) The annual amount available to be spent is 5% of the market value calculated in "a" above.

The "income" that may be spent, as determined in this paragraph, may be drawn from both ordinary earned income (i.e., dividends, interest, rents, royalties, etc.) and earned and unearned appreciation.

BAY AREA WOMEN'S CENTER
Notes to Financial Statements
For the Year Ended December 31, 2024

NOTE 8 - ENDOWMENT FUND WITH BAY AREA COMMUNITY FOUNDATION (CONTINUED)

Endowment Net Asset Composition by Type of Fund as of December 31, 2024

	<u>Without Donor Restrictions</u>
Board designated endowment funds	<u>\$ 1,405</u>

Changes in Endowment Net Assets for the Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>
Endowment net assets, beginning of the year	<u>\$ 1,283</u>
Investment return:	
Investment income	62
Net gain (loss) (realized and unrealized)	<u>124</u>
Total investment return	<u>186</u>
Appropriation of endowment assets for expenditure	(56)
Administrative and investment fees	<u>(8)</u>
Total investment return	<u>(64)</u>
Endowment net assets, end of the year	<u>\$ 1,405</u>

NOTE 9 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment was recorded as of January 1, 2024 to correct contributions receivable from United Way. Contributions receivable were reduced by \$6,680. This resulted in a decrease in net assets with donor restrictions as of January 1, 2024 of \$6,680.



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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*

April 22, 2025

Board of Directors
Bay Area Women's Center
Bay City, Michigan

We have audited, in accordance with U.S. generally accepted auditing standards 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 Bay Area Women's Center (Organization), which comprise the statement of financial position as of December 31, 2024 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 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bay Area Women's Center's internal control over financial reporting (internal control) as a basis for designing 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 Bay Area Women's Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Bay Area Women's Center'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 Organization'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 or significant deficiencies may exist that were not identified.



WEINLANDER FITZHUGH

Certified Public Accountants & Advisors

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bay Area Women's Center'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 financial statements. 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weinlander Fitzhugh



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE

April 22, 2025

Board of Directors
Bay Area Women's Center
Bay City, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bay Area Women's Center's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Bay Area Women's Center's major federal programs for the year ended December 31, 2024. Bay Area Women's Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Bay Area Women's Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Bay Area Women's Center and to meet our ethical responsibilities, in accordance with 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 qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of Bay Area Women's Center's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Bay Area Women's Center's federal programs.



Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Bay Area Women's Center's compliance based on our audit. 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 U.S. generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Bay Area Women's Center's compliance with the requirements for each major federal program as a whole.

In performing an audit in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Bay Area Women's Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Bay Area Women's Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Bay Area Women's Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



WEINLANDER FITZHUGH

Certified Public Accountants & Advisors

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Weinlander Fitzhugh

BAY AREA WOMEN'S CENTER
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

SECTION I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO
<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NONE REPORTED
<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO

Noncompliance material to financial statements noted?

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO
<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NONE REPORTED

Type of auditor's report issued on compliance of major programs:

Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO
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Identification of major programs:

AL Number(s)
16.575

Name of Federal Program or Cluster
Crime Victim Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?

<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO
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SECTION II - Financial Statement Findings

There are no matters reported.

SECTION III - Federal Award Findings and Questioned Costs

There are no matters reported.

BAY AREA WOMEN'S CENTER
Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2024

There were no matters reported in the prior year's audit.

Bay Area Women's Center
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

<u>Program Title Grant Number</u>	<u>AL Number</u>	<u>Passed Through</u>	<u>Pass-through / Grantor Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Child and Adult Care Food Program	10.558	MDE		<u>\$ 5,724</u>
<u>U.S. Department of Justice</u>				
Crime Victim Assistance	16.575	MDHHS	E20243178-00	305,585
Crime Victim Assistance	16.575	MDHHS	E20243040-00	33,144
Crime Victim Assistance	16.575	MDHHS	E20252172-00	61,093
Crime Victim Assistance	16.575	MDHHS	E20252573-00	16,246
Crime Victim Assistance	16.575	MDHSS	E20253990-00	12,579
Crime Victim Assistance	16.575	MDHHS	E20254310-00	<u>4,544</u>
Total U.S. Department of Justice				<u>433,191</u>
<u>U.S. Department of Health and Human Services</u>				
Family Violence Prevention and Services/Sexual Assault/ Rape Crisis Services and Supports	93.497	MDHHS	E20243595-00	5,043
Family Violence Prevention and Services/Sexual Assault/ Rape Crisis Services and Supports	93.497	MDHHS	E20252321-00	<u>15,842</u>
				20,885
Temporary Assistance for Needy Families	93.558	MDHHS	E20243164-00	37,846
Temporary Assistance for Needy Families	93.558	MDHHS	E20243237-00	6,913
Temporary Assistance for Needy Families	93.558	MDHHS	E20242951-00	123,510
Temporary Assistance for Needy Families	93.558	MDHHS	E20244507-00	8,864
Temporary Assistance for Needy Families	93.558	MDHHS	E20251544-00	3,221
Temporary Assistance for Needy Families	93.558	MDHHS	E20252171-00	3,172
Temporary Assistance for Needy Families	93.558	MDHHS	E20252331-00	<u>49,371</u>
Total Temporary Assistance for Needy Families				232,897
COVID-19 - Family Violence Prevention and Services/ Domestic Violence Shelter and Supportive Services	93.671	MDHHS	E20242802-00	20,605
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	MDHHS	E20243170-00	28,590
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	MDHHS	E20243600-00	21,312
COVID-19 - Family Violence Prevention and Services/ Domestic Violence Shelter and Supportive Services	93.671	MDHHS	E20251415-00	836
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	MDHHS	E20251514-00	12,733
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	MDHHS	E20252332-00	<u>56,807</u>
				140,883
Total U.S. Department of Health and Human Services				<u>394,665</u>
Total Expenditures of Federal Awards				<u><u>\$ 833,580</u></u>

See accompanying notes to the schedule of expenditures of federal awards

BAY AREA WOMEN'S CENTER
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Bay Area Women's Center under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Bay Area Women's Center, it is not intended to and does not present the financial position or changes in net position of Bay Area Women's Center.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credit made in the normal course of business to amounts reported as expenditures.

The Bay Area Women's Center has elected not to use the 10 percent de minimus indirect cost rate to recover costs as allowed under the Uniform Guidance.

The Bay Area Women's Center does not have any subrecipients.

NOTE 2 - RECONCILIATION OF REVENUE REPORTED IN THE FINANCIAL STATEMENTS

Total federal expenditures per Schedule of Expenditures of Federal Awards	\$ 833,580
Add:	
State funded portion of SANE E20254752-00	2,443
State funded portion of DVCS E20243164-00	21,559
State funded portion of DVCSM E20243237-00	20,480
State funded portion of SACS E20244507-00	74,102
State funded portion of DVCS E20251544-00	1,666
State funded portion of DVCSM E20252171-00	10,169
State funded portion of DVCSF E20243170-00	12,561
State funded portion of DV E20245253-00	96,128
State funded portion of DV E20251600-00	9,905
State funded portion of DVCST E20245474-00	5,000
State funded portion of SA E20254750-00	385
McKinney Vento	<u>459</u>
Revenues per financial statements - federal and state grants and contracts	<u>\$ 1,088,437</u>