

**WOMEN HELPING WOMEN**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
JUNE 30, 2022

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Women Helping Women  
Wailuku, Maui, Hawaii

### **Opinion**

We have audited the accompanying financial statements of Women Helping Women (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and change in net assets, 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 Women Helping Women as of June 30, 2022, and the changes in its net assets and its cash flows for the year 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 Helping Women 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 Helping Women'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 Helping Women'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 Helping Women'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.

This report is intended for the information of the board of directors and management of Women Helping Women and is not intended to be and should not be used by anyone other than these specified parties.

*Melanie Devereux, CPA, LLC*

Makawao, Hawaii  
September 15, 2022

WOMEN HELPING WOMEN

Statement of Financial Position  
For the Year Ended June 30, 2022

**ASSETS**

ASSETS

Cash and Cash Equivalents	\$ 1,174,171
Accounts Receivables	245,333
Prepaid Expenses	18,383
Investments	8,325
Deposits	2,600
Inventory	<u>21,833</u>
Total Assets	1,470,645

FIXED ASSETS

Automobiles	54,748
Furniture & Fixtures	375
Machinery & Equipment	44,667
Building Improvements	<u>406,516</u>
Total Fixed Assets	506,306
Less Accumulated Depreciation	<u>(262,162)</u>
Net Fixed Assets	<u>244,144</u>

TOTAL ASSETS \$ 1,714,789

**LIABILITIES AND NET ASSETS**

LIABILITIES

Accounts Payable	\$ 1,667
Accrued Vacation	23,637
Deferred Revenue	<u>175,417</u>
Total Liabilities	200,721

NET ASSETS

Without Donor Restrictions	<u>1,514,068</u>
Total Net Assets	<u>1,514,068</u>

TOTAL LIABILITIES AND NET ASSETS \$ 1,714,789

The accompanying notes and independent auditor's report  
are an integral part of these financial statements.

WOMEN HELPING WOMEN

Statement of Activities and Changes in Net Assets  
For the Year Ended June 30, 2022

	<u>Without Donor</u> <u>Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE		
Contract Revenue and Grants	\$ 1,258,391	\$ 1,258,391
In-Kind Contributions	57,100	57,100
Contributions	299,023	299,023
PPP Loan Forgiveness	-	-
Miscellaneous	28	28
Interest Income	631	631
Revive Boutique Sales	125,314	125,314
Revive Boutique Donations and Other	<u>127,113</u>	<u>127,113</u>
Total Support and Revenue	1,867,600	1,867,600
COST OF GOODS SOLD		
Revive Boutique	<u>124,396</u>	<u>124,396</u>
Total Cost of Goods Sold	124,396	124,396
NET SUPPORT AND REVENUE	1,743,204	1,743,204
EXPENSES		
Program Services	1,126,043	1,126,043
Supporting Services	336,848	336,848
Fundraising	3,718	3,718
Revive Boutique	<u>104,640</u>	<u>104,640</u>
Total Expenses	1,571,249	1,571,249
CHANGE IN NET ASSETS	171,955	171,955
NET ASSETS, BEGINNING OF YEAR	<u>1,342,113</u>	<u>1,342,113</u>
NET ASSETS, END OF YEAR	<u>\$ 1,514,068</u>	<u>\$ 1,514,068</u>

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WOMEN HELPING WOMEN

Statement of Functional Expenses  
For the Year Ended June 30, 2022

	<u>Program</u> <u>Services</u>	<u>Supporting</u> <u>Services</u>	<u>Fundraising</u>	<u>Revive</u> <u>Boutique</u>	<u>Total</u>
Salaries	\$ 496,416	\$ 196,353	\$ -	\$ 41,979	\$ 734,748
Fringe Benefits	152,191	77,057	-	24,586	253,834
Rent	103,739	11,416	-	13,750	128,905
Insurance	23,570	1,574	-	1,571	26,715
Supplies	9,515	3,113	-	1,577	14,205
Equipment Lease	5,495	1,432	-	-	6,927
Food	16,140	-	-	-	16,140
Travel	1,582	102	-	-	1,684
Repair & Maintenance	28,315	-	-	4,294	32,609
Client Assistance	193,021	-	-	4,146	197,167
Professional Service	-	1,830	-	-	1,830
Utilities	43,531	8,633	-	5,717	57,881
Office Expense	617	1,107	-	-	1,724
Depreciation	35,987	-	-	-	35,987
Accounting	-	23,212	-	-	23,212
Advertising	-	595	-	-	595
Automobile	4,898	634	-	-	5,532
Training & Development	1,381	149	-	-	1,530
Direct Fundraising	-	-	3,718	-	3,718
Taxes & Penalties	-	26	-	4,869	4,895
Bank Fees	-	4,110	-	2,151	6,261
Licenses and Fees	-	605	-	-	605
Volunteer/Staff Recognition	-	2,384	-	-	2,384
Miscellaneous	9,645	2,516	-	-	12,161
	<u>\$ 1,126,043</u>	<u>\$ 336,848</u>	<u>\$ 3,718</u>	<u>\$ 104,640</u>	<u>\$ 1,571,249</u>

The accompanying notes and independent auditor's report  
are an integral part of these financial statements.

WOMEN HELPING WOMEN

Statement of Cash Flows  
For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Government Funding	\$ 1,280,648
Contributions & Fundraising	280,782
Revive Boutique	128,031
Other Cash Receipts	2,817
Cash Paid to Employees and Vendors	<u>(1,482,285)</u>
Net Cash Provided by Operating Activities	209,993
NET INCREASE CASH	209,993
CASH BALANCE, BEGINNING OF YEAR	<u>964,178</u>
CASH BALANCE, END OF YEAR	<u>\$ 1,174,171</u>

The accompanying notes and independent auditor's report  
are an integral part of these financial statements.

## WOMEN HELPING WOMEN

### Notes to the Financial Statements For the Year Ended June 30, 2022

#### 1. ORGANIZATION

Women Helping Women (the Organization) was incorporated under the laws of the State of Hawaii as a nonprofit corporation in 1977. The Organization was formed to offer safety, support and empowerment to women and children in Maui County who are the victims of domestic violence. The Organization is supported primarily through government and private grants, donor contributions, and fundraising. The Organization's major programs include the Shelter Program, Maui's only emergency shelter facility for women and children; Transitions Program, helping women obtain and retain permanent housing and to achieve self-sufficiency; Children's Program, providing service to children affected by domestic violence both in the shelter and in the community; and Temporary Restraining Orders, preparing court orders to protect a person from all types of abuse.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Method of Accounting

The accrual basis of accounting is used for financial and income tax reporting purposes. Under this method, revenue is recorded when earned and expenses are recorded when the obligation is incurred.

##### Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958-205 *Not-for-Profit Entities Presentation of Financial Statements*. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

##### Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



## WOMEN HELPING WOMEN

### Notes to the Financial Statements For the Year Ended June 30, 2022

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with original maturities of three months or less at the date of purchase. Cash equivalents consist of checking accounts and savings accounts.

##### Investments

The Organization classifies its equity securities as available for sale. Securities classified as available for sale are carried in the financial statements at cost. Realized gains and losses are included in earnings; unrealized holding gains and losses are not reported in the financial statements using the cost method.

##### Fixed Assets

If an expenditure results in an asset having an estimated useful life that extends beyond one year, the expenditure is capitalized and depreciated or amortized over the estimated useful life of the asset. Fixed assets are recorded at cost if purchased or if donated, at fair market value at the time of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Gains or losses from the disposition of fixed assets are included in current operations.

##### Functional Allocation of Expenses

ASC 958-205 requires that not-for-profit organizations group their expenses by functional classifications: Program Services, Supporting Services, and Fundraising. Expenses are charged directly to program services, supporting services or fundraising based on specific identification. Other expenses such as payroll, payroll taxes, employee benefits and occupancy related costs are allocated based on estimated usage.

##### Donated Services

The Organization receives services donated by the general public in carrying out its purpose. No amounts have been reflected in the financial statements for donated services since they do not meet the criteria for recognition under ASC 958-605 *Not-for-Profit Entities Revenue Recognition*.

## WOMEN HELPING WOMEN

### Notes to the Financial Statements For the Year Ended June 30, 2022

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Support and Revenue

Resources received for program services are generally unrestricted in nature. Grants and other contributions of cash or other assets are generally reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated resources. When a donor restriction expires, that is, when the restricted purpose has been achieved, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Additionally, donor-restricted contributions whose restrictions are met in the same reporting period are reported as without donor restrictions support. As of June 30, 2022, there were no net assets with donor restrictions.

##### Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and exempt from State income taxes under Section 237-23(b) of the Hawaii Revised Statutes. Contributions to the Organization are tax deductible. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2020, 2021 and 2022 are subject to examination by the IRS, generally for three years after they were filed.

#### 3. CONCENTRATION OF RISK

The Organization receives a substantial portion of its funding from the Federal government, State of Hawaii and the County of Maui. Because of challenging economic conditions and budgetary constraints, future availability of funding from these sources may be affected.

Amounts received from these agencies are restricted to purposes designated in the related agreements. Final acceptance of the costs charged to such programs is subject to review and acceptance by the funding agency.

The Organization maintains its cash and cash equivalents accounts in a financial institution in the State of Hawaii. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At June 30, 2022, the Organization had approximately \$650,000 in excess of FDIC insured limits.

## WOMEN HELPING WOMEN

### Notes to the Financial Statements For the Year Ended June 30, 2022

#### 4. LEASE OBLIGATIONS

The Organization leases its administrative offices in Wailuku, Hawaii. Occupancy of the building is shared with two other not-for-profit organizations. The lease is for 30 years ending on November 31, 2028. The lease requires the Organization to pay, as rent, their proportionate share of the lessor's amount of debt financing on the entire premises. In addition, the Organization is required to pay the lessor's operating expenses for the property. Annually, the lessor notifies the Organization of its proportionate share of the lessor's debt financing. For the year ended June 30, 2022, the total amount paid pursuant to this lease was \$23,011.

In February 2019, the Organization entered into several 60 month leases with Ricoh for copiers with combined monthly payments of \$344, plus any monthly over usage charges. Payments to Ricoh amounted to \$5,198 for the year ended June 30, 2022. Future minimum lease payments on the copier for the years ending June 30, are as follows:

2023	\$ 4,128
2024	<u>2,752</u>
Total	<u>\$ 6,880</u>

#### 5. DONATED USE OF SPACE

The women's shelter has been donated to the Organization. Management estimates the rental value of the shelter to be approximately \$45,900 per year. This amount has been included in in-kind donations and rent expense on the accompanying financial statements. Donated use of space is based on prevailing market rates for similar commercial rental property.

The Organization leases the land upon which the shelter is located from the County of Maui for a nominal charge pursuant to a lease expiring in 2026. Estimated rental value of the land is \$11,200 per annum. This amount has been included in in-kind donation and rent expense on the accompanying financial statements.

#### 6. FUNDRAISING EXPENSES

The Organization's functional expenses which are categorized as fundraising expenses include expenses the annual donor drive and other community fundraising events. Corresponding revenues from these fundraisers are categorized in various revenue categories.

## WOMEN HELPING WOMEN

### Notes to the Financial Statements For the Year Ended June 30, 2022

#### 7. SCHEDULE OF CASH AND CASH EQUIVALENTS

Agency	
Bank of Hawaii - Checking	\$ 619,009
Bank of Hawaii - Money Market	283,499
Bank of Hawaii - Investment Services	2,485
Bank of Hawaii - Transfer Account	13,388
Central Pacific Bank - Savings	222,947
Petty Cash	1,100
Revive Boutique	
American Savings Bank	31,593
Petty Cash	150
	<u>\$ 1,174,171</u>

#### 8. DONATED MATERIALS

The Organization receives donations of clothing, furniture and vehicles which are distributed to clients on the basis of need or resold in the Revive Boutique. No value is assigned nor recorded for those donations that are distributed, but an in-kind donation equal to the amount of the sales price in the Revive Boutique, is recognized.

#### 9. RETIREMENT PLAN

The Organization maintains a tax deferred retirement plan under the Internal Revenue code Section 403(b). An unmatched (base) employer contribution of 3% of compensation is made for all employees beginning with their date of hire. Employees are also eligible to make their own contributions upon hire. Vesting is 50% after 1 year of service and 100% after 2 years of service. The Organization contributed \$21,593 to the retirement plan for employees for the year end June 30, 2022.

#### 10. DEFERRED REVENUE

Deferred revenue represents funds received from government grants, security deposit refunds and foundation contracts, which were not yet earned as of June 30, 2022. These types of contracts allow for these funds to be used and thus, earned in the subsequent year. The balance of deferred revenue at June 30, 2022 was \$175,417 in total.

## WOMEN HELPING WOMEN

### Notes to the Financial Statements For the Year Ended June 30, 2022

#### 11. REVIVE BOUTIQUE

In March 2011, the Organization opened a boutique where they sell donated items at thrift store prices to the general public. The accounting records for the Revive Boutique are kept on an independent accounting system from the Organization's main accounting system. The records are consolidated at year end for financial statement presentation purposes. The organization has a month to month lease for the store space and is required to pay monthly rent of \$1,100 plus general excise tax of \$46.

The Organization does not record the value of the non-cash donations received at the time of receipt, as some of the items are sold in the store and some are given out at the shelter. Once the donations have been placed in the store for sale, they are recorded as an in-kind donation for the amount of the asking sales price. Inventory and the estimated value of items in the store was estimated to be \$21,833 at June 30, 2022. Revenues from the sales of these items, and corresponding cost of goods sold, are recorded at the time of sale and are taxable. The Organization is responsible for paying general excise tax of 4% on all unrelated business income.

#### 12. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES

Excess support and revenue over expenses	\$ 171,955
Adjustment to reconcile excess support and revenue over expenses to net cash provided by operating activities:	
Depreciation	35,987
Loss on Disposal	154
Decrease in accounts receivable	10,727
Decrease in prepaid expenses	3,712
Decrease in deposits	200
Decrease in inventory	336
(Decrease) in accounts payables	(1,169)
(Decrease) in accrued expenses	(7,356)
(Decrease) in deferred revenue	(4,553)
Net cash provided by operating activities	<u>\$ 209,993</u>

## WOMEN HELPING WOMEN

### Notes to the Financial Statements For the Year Ended June 30, 2022

#### 13. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Management's policy is to structure its financial assets as its general expenditures, liabilities and other obligations come due.

Financial assets	\$ 1,182,496
Less those unavailable to general expenditures within one year due to:	
Restrictions by donor with purpose restriction	<u>                  -</u>
Financial assets available to meet cash need for general expenditures within one year	<u><u>\$ 1,182,496</u></u>

#### 14. CONTINGENCIES

The Organization's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Organization's financial position, operations and cash flows. Effects may include, but are not limited to, disruption in the Organization's programs, customers, donors and revenue, absenteeism in the Organization's labor workforce, unavailability of products and supplies used in operations and a decline in value of assets held by the Organization, including but not limited to property and equipment.

#### 15. MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 15, 2022. There are no subsequent events that would have a material effect on the financial statements and this is the date the financial statements were available to be issued.