

**WOMEN OF NATIONS**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2020 AND 2019**

**WOMEN OF NATIONS  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Women of Nations  
Saint Paul, Minnesota

We have audited the accompanying financial statements of Women of Nations (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women of Nations as of June 30, 2020 and 2019, 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.

**Other Matters**

*Other Information – Schedule of Expenditures of Federal Awards*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 auditing standards generally accepted in the United States of America. 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 March 24, 2021, on our consideration of Women of Nations' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 result of that testing, and not to provide an opinion on the effectiveness of Women of Nations' 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 Women of Nations' internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
March 24, 2021

**WOMEN OF NATIONS  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 295,382	\$ 209,818
Contributions and Grants Receivable	114,301	149,724
Total Current Assets	409,683	359,542
<b>NONCURRENT ASSETS</b>		
Investments	7,089	7,089
Property and Equipment, Net of Accumulated Depreciation of \$1,131,586 in 2020 and \$1,085,585 in 2019	670,441	584,544
Total Noncurrent Assets	677,530	591,633
Total Assets	\$ 1,087,213	\$ 951,175
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 3,638	\$ 14,872
Accrued Payroll Expenses	52,415	18,497
Deferred Revenue	52,217	-
Total Current Liabilities	108,270	33,369
<b>NONCURRENT LIABILITIES</b>		
Note Payable	310,000	310,000
Total Liabilities	418,270	343,369
<b>NET ASSETS</b>		
Without Donor Restriction	658,911	604,794
With Donor Restriction	10,032	3,012
Total Net Assets	668,943	607,806
Total Liabilities and Net Assets	\$ 1,087,213	\$ 951,175

See accompanying Notes to Financial Statements.

**WOMEN OF NATIONS  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Contributions and Grants	\$ 1,951,190	\$ 10,020	\$ 1,961,210	\$ 1,646,828	\$ 31,450	\$ 1,678,278
In-Kind Contributions	73,208	-	73,208	42,765	-	42,765
Interest Income	860	-	860	713	-	713
Other Gains	13,612	-	13,612	8,184	-	8,184
Net Assets Released from Restriction	3,000	(3,000)	-	31,941	(31,941)	-
Total Support and Revenue	<u>2,041,870</u>	<u>7,020</u>	<u>2,048,890</u>	<u>1,730,431</u>	<u>(491)</u>	<u>1,729,940</u>
<b>EXPENSES</b>						
Program Services:						
Shelter Program	1,385,995	-	1,385,995	1,120,907	-	1,120,907
OCE	138,564	-	138,564	158,212	-	158,212
Total Program Services	<u>1,524,559</u>	<u>-</u>	<u>1,524,559</u>	<u>1,279,119</u>	<u>-</u>	<u>1,279,119</u>
Supporting Services:						
Management and General	327,510	-	327,510	300,528	-	300,528
Fundraising	135,684	-	135,684	105,548	-	105,548
Total Supporting Services	<u>463,194</u>	<u>-</u>	<u>463,194</u>	<u>406,076</u>	<u>-</u>	<u>406,076</u>
Total Expenses	<u>1,987,753</u>	<u>-</u>	<u>1,987,753</u>	<u>1,685,195</u>	<u>-</u>	<u>1,685,195</u>
<b>CHANGE IN NET ASSETS</b>	54,117	7,020	61,137	45,236	(491)	44,745
Net Assets - Beginning of Year	<u>604,794</u>	<u>3,012</u>	<u>607,806</u>	<u>559,558</u>	<u>3,503</u>	<u>563,061</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 658,911</u>	<u>\$ 10,032</u>	<u>\$ 668,943</u>	<u>\$ 604,794</u>	<u>\$ 3,012</u>	<u>\$ 607,806</u>

See accompanying Notes to Financial Statements.

**WOMEN OF NATIONS  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2020**

	Shelter Program	OCE	Total Program Expenses	Management and General	Fundraising	Total Expenses
Salaries	\$ 896,710	\$ 106,810	\$ 1,003,520	\$ 212,966	\$ 63,981	\$ 1,280,467
Payroll Taxes	90,103	11,203	101,306	22,326	6,724	130,356
Employee Benefits	34,491	4,713	39,204	6,516	5,264	50,984
Equipment, Leases, and Maintenance	96,689	3,499	100,188	6,255	2,096	108,539
Legal Costs	-	-	-	11,145	-	11,145
Consultants	-	-	-	38,502	-	38,502
Food	62,808	-	62,808	-	-	62,808
Insurance	29,006	2,436	31,442	5,721	-	37,163
Utilities	35,805	-	35,805	6,318	-	42,123
Telephone	14,015	535	14,550	1,711	856	17,117
Resident Expenses	27,290	3,330	30,620	180	-	30,800
Program Supplies	11,933	192	12,125	-	-	12,125
Miscellaneous	-	-	-	2,377	-	2,377
Office Supplies	1,328	203	1,531	270	-	1,801
Training	2,148	265	2,413	4,449	-	6,862
Travel	260	287	547	25	-	572
Dues/Subscriptions	5,204	-	5,204	-	-	5,204
Staff Recruitment	1,058	134	1,192	-	-	1,192
Printing and Postage	3,082	467	3,549	400	200	4,149
In-Kind Expenses	24,529	-	24,529	-	48,679	73,208
Events	-	-	-	-	7,884	7,884
	<u>1,336,459</u>	<u>134,074</u>	<u>1,470,533</u>	<u>319,161</u>	<u>135,684</u>	<u>1,925,378</u>
Total Before Depreciation						
Depreciation and Amortization	49,536	4,490	54,026	8,349	-	62,375
	<u>\$ 1,385,995</u>	<u>\$ 138,564</u>	<u>\$ 1,524,559</u>	<u>\$ 327,510</u>	<u>\$ 135,684</u>	<u>\$ 1,987,753</u>
Total Functional Expenses						

See accompanying Notes to Financial Statements.

**WOMEN OF NATIONS  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2019**

	Shelter Program	OCE	Total Program Expenses	Management and General	Fundraising	Total Expenses
Salaries	\$ 660,061	\$ 123,884	\$ 783,944	\$ 193,718	\$ 74,467	\$ 1,052,129
Payroll Taxes	67,099	13,821	80,920	22,042	8,324	111,286
Employee Benefits	23,183	4,265	27,448	5,156	4,872	37,476
Equipment, Leases, and Maintenance	66,536	2,853	69,389	7,099	1,704	78,192
Legal Costs	-	-	-	7,692	-	7,692
Consultants	-	-	-	33,569	-	33,569
Food	58,120	-	58,120	-	-	58,120
Insurance	39,260	2,732	41,992	7,865	-	49,857
Utilities	34,515	-	34,515	6,091	-	40,606
Telephone	15,440	589	16,029	1,886	943	18,858
Resident Expenses	21,282	2,524	23,805	242	-	24,047
Program Supplies	21,497	193	21,690	-	-	21,690
Miscellaneous	-	-	-	1,750	-	1,750
Office Supplies	2,287	349	2,636	466	-	3,102
Training	1,138	93	1,231	1,321	-	2,552
Travel	443	-	443	455	-	898
Dues/Subscriptions	7,648	-	7,648	-	-	7,648
Staff Recruitment	1,678	213	1,891	72	-	1,963
Printing and Postage	1,973	298	2,271	250	125	2,646
In-Kind Expenses	39,390	-	39,390	-	3,375	42,765
Events	-	-	-	-	11,738	11,738
	<u>1,061,550</u>	<u>151,812</u>	<u>1,213,362</u>	<u>289,674</u>	<u>105,548</u>	<u>1,608,584</u>
Total Before Depreciation						
Depreciation and Amortization	59,357	6,400	65,757	10,854	-	76,611
	<u>\$ 1,120,907</u>	<u>\$ 158,212</u>	<u>\$ 1,279,119</u>	<u>\$ 300,528</u>	<u>\$ 105,548</u>	<u>\$ 1,685,195</u>
Total Functional Expenses						

See accompanying Notes to Financial Statements.

**WOMEN OF NATIONS  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 61,137	\$ 44,745
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	62,375	76,611
Loss on Sale of Property and Equipment	7,600	-
(Increase) Decrease in Assets:		
Grants and Accounts Receivable	35,423	3,304
Prepaid Expenses	-	10,526
Increase (Decrease) in Liabilities:		
Accounts Payable	(11,234)	12,399
Accrued Payroll Expenses	33,918	(2,030)
Deferred Revenue	52,217	-
Net Cash Provided by Operating Activities	241,436	145,555
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to Property and Equipment	(155,872)	(75,574)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	85,564	69,981
Cash and Cash Equivalents - Beginning of Year	209,818	139,837
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 295,382	\$ 209,818

See accompanying Notes to Financial Statements.

**WOMEN OF NATIONS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 1 ORGANIZATIONAL PURPOSE**

Women of Nations (WON) is a nonprofit organization under the Minnesota Statutes Chapter 317A serving victims of domestic abuse. WON's mission is to provide support services for battered women and their children pursuant to Minnesota Statutes Chapter 611A. WON owns a building at 73 Leech Street, near downtown St. Paul, where the organization has its office and operates both a Community Advocacy Program (CAP) and Eagles Nest Shelter, a residential domestic abuse shelter. Eagles Nest Shelter has the capacity for 44 women and children. Crisis intervention, shelter, and advocacy are the primary services WON provides. Education to the public on domestic abuse issues, particularly as they affect American Indian women, is another part of WON's mission.

WON was formed over 30 years ago to provide culturally sensitive domestic abuse services under state enabling legislation that recognizes WON's affiliation with the American Indian community.

WON received funding from a variety of state, federal, and private sources and provides all of its services free of charge to victims of domestic abuse.

In keeping with its mission and philosophy, WON places emphasis on teaching and observance of American Indian cultural practices. Participation in such education and practice is voluntary, however, and WON operates and provides services without regard to race, religion, or national origin.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Financial Statement Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Net Assets Classifications**

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of WON and changes therein are classified into the following categories:

*Without Donor Restrictions* – Net assets without donor restrictions have no donor-imposed stipulations. These net assets also include those funds that are designated for specific purposes by the board of directors.

**WOMEN OF NATIONS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets Classifications (Continued)**

*With Donor Restrictions* – Net assets subject to donor-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 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.

At June 30, 2020 and 2019, WON had no perpetually restricted net assets.

Contributions with donor-imposed conditions, such as time or purpose restrictions, are recorded as contributions with donor restrictions. When donor-imposed time conditions expire or donor-imposed purpose restrictions are fulfilled, the net assets with donor restriction are reclassified to net assets without donor restriction. This reclassification is reported as Net Assets Released from Restrictions on the statements of activities. If, however, restricted contributions are received and released from restriction in the same year, the support is recognized as without donor restriction in the financial statements.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, WON considers cash on hand and on deposit in banks, short-term and highly liquid investments to be cash equivalents. WON considers all highly liquid investments purchased with an initial maturity of three months or less to be cash and cash equivalents. At times, amounts may exceed Federal Deposit Insurance Corporation insured limits.

**Contributions and Grants and Contributions and Grants Receivable**

Contributions and unconditional promises to give are recognized as revenue in the period when the donor makes a promise to give to WON that is, in substance, unconditional. All contributions and grants are available for use without donor restrictions unless specifically restricted by the donor. Donor-restricted contributions and grants are reported as increases in net assets with donor restrictions. Contributions and grants where donor restrictions are met in the same fiscal year as the contribution and grant are included in net assets without donor restrictions. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. At June 30, 2020, WON had received conditional promises to give in the amount of \$1,708,000. An allowance for uncollectible contributions and grants receivable is provided based upon management's judgment including such factors as prior collection history. Management determined that all contributions and grants receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at June 30, 2020 and 2019. All contributions and grants receivable are expected to be collected within the next fiscal year.

**WOMEN OF NATIONS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions and Grants and Contributions and Grants Receivable (Continued)**

Deferred revenue consists of amounts received in advance on contributions and grants that were conditional in nature.

A portion of WON's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when WON has incurred expenditures in compliance with specific contract or grant provisions.

**Property and Equipment**

Property and equipment purchased are stated at cost. WON capitalizes items over \$500. Donated assets are valued at their estimated fair market values on the date of contribution. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

**In-Kind Contributions**

Contributions of donated noncash assets are recorded at their fair values in the period received. Donated services are recognized as contributions if the services require specialized skills, are performed by persons with those skills, and would otherwise be purchased. In-kind contributions for the years ended June 30, 2020 and 2019 were \$73,208 and \$42,765, respectively.

WON receives materials from a local store that would otherwise be thrown out because they cannot be sold. The value of such items is difficult to determine and is not recognized in the accompanying financial statements. Many individuals volunteer their time and perform a variety of tasks that assist WON with specific assistance programs and campaign solicitations. The value of these volunteers is not included in the accompanying financial statements.

**Functional Allocation of Expense**

Salaries and related expenses are allocated based on job descriptions and the best estimates of management. Expenses other than salaries and related expenses, which are not directly identifiable by program or supporting service, are allocated based on the best estimates of management. Depreciation is allocated based for each asset based on a program or support service that uses the asset. Information technology costs, supplies, office expenses and telephone costs are allocated based on the number of employees within each program or support service. Resident expenses are allocated proportionately to the programs that provide direct assistance to the resident based on total program costs. Within the statement of functional expenses, the two main programs are:

- *Shelter* – Including the Eagle's Nest Shelter and CAP, they provide a safe and confidential emergency shelter for women and children who have experienced trauma from domestic violence, sexual assault and dating violence.
- *Outreach and Community Engagement (OCE)* – Additional services provided including education and volunteer opportunities, continued assistance to clients who have transitioned out of the Shelter and violence-prevention programs.

**WOMEN OF NATIONS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. 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 vary from the estimates that were used.

**Tax-Exempt Status**

WON is tax-exempt under Section 501(c)(3) of the Internal Revenue Code (IRC) and Minnesota Statute 290.05. It is classified as an organization that is not a private foundation under Section 509(a)(2) of the IRC and contributions by donors are tax deductible. WON follows accounting standards for uncertain tax positions and files as a tax-exempt organization. During 2020 and 2019, WON has not recognized any liability for uncertain tax positions. WON's tax returns are subject to review and examination by federal and state authorities.

**Subsequent Events**

WON has evaluated subsequent events through March 24, 2021, the date the financial statements were available to be issued.

**Change in Accounting Principle**

WON has adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The adoption of this standard had no impact on the change in net assets as previously reported and was adopted using a retrospective approach.

WON adopted Accounting Standards (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. The standard was implemented related to contributions received during the year. The accounting change has not been retrospectively applied to prior periods presented but applied prospectively. The implementation of this standard had no impact on the change in net assets as previously reported.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

WON regularly monitors the availability of income required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, WON considers all expenditures related to its ongoing activities.

**WOMEN OF NATIONS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)**

The following financial assets are available one year after the statements of financial position date:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 295,382	\$ 209,818
Investments	7,089	7,089
Grants and Accounts Receivable	114,301	149,724
Less: Donor Restricted Amounts Unavailable for General Expenditure	(10,032)	(3,012)
Total	<u>\$ 406,740</u>	<u>\$ 363,619</u>

**NOTE 4 GRANTS AND ACCOUNTS RECEIVABLE**

Grants and accounts receivable are expected to be collected within one year. Grants and accounts receivable, which are considered fully collectible, consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Office of Justice Programs	\$ 106,128	\$ 136,723
Miscellaneous Others	8,173	13,001
Total	<u>\$ 114,301</u>	<u>\$ 149,724</u>

**NOTE 5 PROPERTY AND EQUIPMENT**

A summary of property and equipment is as follows:

	<u>2020</u>	<u>2019</u>	<u>Estimated Life</u>
Land	\$ 32,169	\$ 32,169	N/A
Building	289,525	289,525	27.5 Years
Building Improvements	1,215,587	1,162,770	10-27.5 Years
Furnishing/Other Equipment	171,304	144,412	3 to 7 Years
Website	17,280	17,280	3 Years
Vehicles	76,162	23,973	5 Years
Subtotal	<u>1,802,027</u>	<u>1,670,129</u>	
Less: Accumulated Depreciation	<u>(1,131,586)</u>	<u>(1,085,585)</u>	
Total	<u>\$ 670,441</u>	<u>\$ 584,544</u>	

Depreciation expense of \$62,375 and \$76,611 was recorded for the years ended June 30, 2020 and 2019, respectively.

**WOMEN OF NATIONS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Educational Programs	\$ -	\$ 3,000
Participants Needs as a Result of COVID-19	10,000	-
Christmas	32	12
Total	<u>\$ 10,032</u>	<u>\$ 3,012</u>

Net assets released from donor restrictions consisted of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Educational Programs	\$ 3,000	\$ 2,300
Christmas	-	4,988
Capital Improvements	-	1,203
Playground Donations	-	10,000
Sexual Violence Prevention Course	-	13,450
Total	<u>\$ 3,000</u>	<u>\$ 31,941</u>

**NOTE 7 OPERATING LEASE**

In January 2017, WON signed a 60-month lease for two copiers. Remaining payments on the lease are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 5,808
2022	5,808
2023	2,904
Total	<u>\$ 14,520</u>

Rent expense was \$4,888 and \$7,296 for the years ended June 30, 2020 and 2019, respectively.

**WOMEN OF NATIONS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 8 NOTES PAYABLE**

Notes payable consist of the following as of June 30:

<u>Description</u>	<u>2020</u>	<u>2019</u>
In 2007, WON signed an Affordable Rental Investment Fund-Preservation (PARIF) loan agreement with Minnesota Housing Finance Agency (MHFA) to provide \$310,000 in funds to assist in the renovation of the Eagle's Nest Shelter. This loan is an interest-free loan, and it is to be repaid no later than April 18, 2037. The building, land, and all property of WON is held as collateral for the loan.	<u>\$ 310,000</u>	<u>\$ 310,000</u>

**NOTE 9 LINE OF CREDIT**

In May 2009, WON obtained a \$50,000 revolving line of credit agreement with a financial institution to help finance its short-term capital needs. The line of credit carries a variable interest rate which will not fall below 5.3% and the line of credit expires July 14, 2021. The line's effective rate of interest at June 30, 2020 was 5.5%. The outstanding amount on the line at June 30, 2020 and 2019 was \$-0-.

**NOTE 10 IN-KIND CONTRIBUTIONS**

In-kind contributions have been allocated to the following expense categories for the years ended June 30:

	2020			
	Program	Administration	Fundraising	Total
Silent Auction Items	\$ -	\$ -	\$ 48,679	\$ 48,679
Food and Other Supplies	24,529	-	-	24,529
Total In-Kind	<u>\$ 24,529</u>	<u>\$ -</u>	<u>\$ 48,679</u>	<u>\$ 73,208</u>

	2019			
	Program	Administration	Fundraising	Total
Silent Auction Items	\$ -	\$ -	\$ 42,765	\$ 42,765
Total In-Kind	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,765</u>	<u>\$ 42,765</u>

**WOMEN OF NATIONS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**NOTE 11 COMMITMENTS AND CONTINGENCIES**

WON's activities are subject to audit examination and review by the grantors of federal and state monies to determine compliance with contract requirements. To the extent that any expenditure is disallowed or surplus funds are not spent, a liability to the grantors could result.

**NOTE 12 CONCENTRATION OF REVENUES AND CREDIT RISK**

For the years ended June 30, 2020 and 2019, WON derived approximately 91% and 89%, respectively, of its revenue from its services contract and grants with the Office of Justice Programs Crime Victim Services, a division of the Minnesota Department of Public Safety.

For the years ended June 30, 2020 and 2019, approximately 93% and 91%, respectively, of its grants and accounts receivable is from one source.



**INDEPENDENT AUDITORS' 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**

Board of Directors  
Women of Nations  
St. Paul, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America 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 Women of Nations, which comprise the statement of financial position as of June 30, 2020, 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 March 24, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Women of Nations' internal control over financial reporting (internal control) to determine the 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 Women of Nations' internal control. Accordingly, we do not express an opinion on the effectiveness of Women of Nations' 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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be material weaknesses.

### **Compliance and Other Matters**


As part of obtaining reasonable assurance about whether Women of Nations' 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 determination of financial statement amounts. 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*.

### **Women of Nations' Response to Findings**

Women of Nations' response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Management's response to the finding was not subject to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
March 24, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Women of Nations  
St. Paul, Minnesota

**Report on Compliance for Each Major Federal Program**

We have audited Women of Nations' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Women of Nations' major federal programs for the year ended June 30, 2020. Women of Nations' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Women of Nations' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Women of Nations' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Women of Nations' compliance.

***Opinion on Each Major Federal Program***

In our opinion, Women of Nations 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 June 30, 2020.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2020-003, 2020-006 and 2020-007. Our opinion on each major federal program is not modified with respect to these matters.

Women of Nations' response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Women of Nations' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of Women of Nations is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Women of Nations' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Women of Nations' 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 a 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2020-003, 2020-004, 2020-005, 2020-006 and 2020-007 that we consider to be material weaknesses.

Women of Nations' response to the internal control over compliance finding identified in our audit is described in the accompanying schedule findings and questioned costs. Women of Nations' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Directors  
Women of Nations

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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
March 24, 2021

**WOMEN OF NATIONS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020**

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor	Pass-Through Entity Identifying Number	Federal Expenditures
<b>Department of Justice</b>				
Crime Victim Assistance	16.575	Minnesota Office of Justice Programs	A-CVS-2020-WON-022	\$ 789,260
Crime Victim Assistance - Facility Maintenance & Repair	16.575	Minnesota Office of Justice Programs	A-FMR-2019-WON-047	<u>27,615</u>
Total Department of Justice				<u>816,875</u>
<b>Department of Agriculture</b>				
Child and Adult Care Food Program	10.558	Minnesota Department of Education	2000010118	15,075
Emergency Food Assistance Program (Food Commodities)	10.569	Second Harvest Heartland	144570	<u>24,529</u>
Total Department of Agriculture				<u>39,604</u>
Total Expenditures of Federal Awards				<u><u>\$ 856,479</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**WOMEN OF NATIONS**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2020**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of WON under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. All federal awards received directly from federal agencies are included on the schedule, as well as federal awards passed-through government agencies, as applicable.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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. WON have elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**WOMEN OF NATIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020**

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***Section I – Summary of Auditors’ Results***

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified?   x   yes            no
  - Significant deficiency(ies) identified?            yes   x   none reported
3. Noncompliance material to financial statements noted?            yes   x   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified?   x   yes            no
  - Significant deficiency(ies) identified?            yes   x   none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   x   yes            no

*Identification of Major Federal Programs*

**CFDA Number(s)**  
16.575

**Name of the Federal Program or Cluster**  
Crime Victim Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

Type A: \$   750,000  

Auditee qualified as low-risk auditee?

           yes   x   no

**WOMEN OF NATIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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***Section II – Financial Statement Findings***

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**2020 – 001**

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

**Condition:** WON required assistance with the preparation of the year-end financial statements, including application of accounting disclosures for the financial statements. Audit adjustments were proposed by the auditors and posted to the organization's accounts, which were a necessary step in ensuring that the financial statements were fairly stated under U.S. generally accepted accounting principles.

**Criteria or specific requirement:** Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial position, changes in net assets, cash flows, and disclosures in the financial statements, in conformity with U.S. generally accepted accounting principles.

**Context:** While performing audit procedures, it was noted that management does not have internal controls in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. generally accepted accounting principles. Management is responsible for ensuring that the financial statements are accurately presented in accordance with U.S. generally accepted accounting principles.

**Effect:** Financial statements could be missing required disclosure information. In addition, financial statements were missing material audit adjustments.

**Cause:** Management requested the auditors to assist in preparing a draft of the financial statements, including the related footnote disclosures; however, management has reviewed and approved the annual financial statements and related notes, as prepared by the audit firm, and has accepted responsibility for those financial statements. Material audit adjustments were identified during the audit process related to property and equipment, deferred revenue, in-kind contributions and accrued paid time off.

**Recommendation:** WON should evaluate their financial reporting processes and controls, including the expertise of its internal staff, to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. generally accepted accounting principles. We further recommend that WON develop a process to ensure the financial statements are materially correct.

**WOMEN OF NATIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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***Section II – Financial Statement Findings (Continued)***

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**2020 – 002**

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

**Condition:** During our audit, we noted certain internal control functions were not properly designed.

**Criteria or specific requirement:** An essential part of internal control is that procedures be properly segregated and the results of their performance be adequately reviewed and documented. This is normally accomplished by assigning duties so that 1) no one person handles a transaction from beginning to end, and 2) incompatible duties between functions are not handled by the same person. In addition, a review of these completed duties should be performed by an individual independent of those functions. Whenever possible, efforts should be made to segregate duties.

**Context:** During the audit, we identified several areas where internal controls could be improved in the areas of cash disbursements, user access rights, etc. We noted that several individuals in management and finance positions have a family relationship. There is currently one shared log-in profile for the general ledger that is accessed by all individuals that post activities to the general ledger. Because it is a shared log-in, the executive director, who is a check signer, also has access to QuickBooks. A shared access eliminates the audit trail of who is making changes to the general ledger. It also allows for the potential of individuals having access to both the ledger to make entries and to blank checks to sign those checks.

**Effect:** A lack of segregation of duties increases the possibility that errors or irregularities may occur and not be detected on a timely basis.

**Cause:** Internal controls are not properly designed or implemented.

**Recommendation:** We recommend updating the user profiles within the general ledger to ensure that each user has an independent log-in and user profile. Those users who are check signers should be limited to read-only access.

**WOMEN OF NATIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**2020 – 003**

Federal agency: U.S. Department of Justice

Federal program title: Crime Victim Assistance and Facility Maintenance & Repair

CFDA Number: 16.575

Pass-Through Agency: Minnesota Office of Justice Programs

Type of Finding:

- Material Weakness in Internal Control Over Compliance

**Criteria or specific requirement:** CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, §200.430 specifies that charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed.

**Condition:** Documentation of time and effort was not maintained for any employee under the program. In addition, documentation of approved pay rates and documentation of timesheets to support the amounts charged to grants was not retained.

**Context:** Time and effort documentation was not maintained for any employee under the program. Noted that pay rates are based on new employee information forms or payroll change notice form that are approved by the Director of Finance or a supervisor. Noted that 2 of the 8 individuals selected for testing did not have documentation of approval on the forms. Noted 1 of the 8 individuals selected for testing did not have documentation of the amount of the pay rate change on the payroll change notice form that is approved by the Director of Finance or a supervisor. Noted that one person received \$50 hazard pay amount per payroll period after the beginning of COVID. WON did not have documentation of review and approval of this. Noted that 4 of the 8 individuals selected for testing had missing timesheets to support the amounts charged to the grant.

**Questioned Costs:** \$14,522

**Cause:** Proper internal control processes and procedures were not in place to document personnel time charged to the grant, pay rate changes, and hazard pay amounts.

**Effect:** Program could be over or under billed if time and effort is not calculated correctly from employee certifications or supported by approved timesheets or pay rates.

**WOMEN OF NATIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**Recommendation:** We recommend that WON implement a process to complete time and effort certifications and reconcile those certifications to ensure the costs reported to the grantor are accurate. We recommend that all pay rate changes contain documentation of approval. We recommend that all pay rate change forms contain documentation of the pay rate change amount and the new hourly or salary rate as a result of that change. We recommend that all additional amounts paid contain documentation that they are properly authorized. We recommend that all hourly employees have timesheets to support the hours worked and charged to the grant.

**Views of responsible officials:** WON will begin use of a new payroll application that will allow for time tracking across different payers. WON will review the allocation of costs across granters every 6 months to ensure their continued accuracy as individuals' roles change over time.

**WOMEN OF NATIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2020 – 004**

Federal agency: U.S. Department of Justice

Federal program title: Crime Victim Assistance and Facility Maintenance & Repair

CFDA Number: 16.575

Pass-Through Agency: Minnesota Office of Justice Programs

Type of Finding:

- Material Weakness in Internal Control Over Compliance

**Criteria or specific requirement:** 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, §200.303 specifies that a non-federal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the Federal award.

**Condition:** Documentation of review and approval of general disbursements was not adequate.

**Context:** WON is currently approving a vendor summary report that lists the invoices to approve rather than the invoices itself. 15 of 17 of the disbursements selected for testing were paid via credit card. The amount paid each period to the credit card provider and the amount on the vendor summary report that contained the documentation of approval were not the same amounts and thus were not adequately approved.

**Questioned Costs:** \$1,701

**Cause:** Lack of sufficient documentation of approval of general disbursements

**Effect:** Unallowable or improper costs could be charged to the program.

**Recommendation:** We recommend that WON document approval on each invoice rather than on the vendor summary report to ensure that all amounts are properly approved. In addition, we recommend that WON follow its policies regarding approval of credit card statements by the board chair.

**Views of responsible officials:** WON as already implemented signed approval by the CEO and Finance Director on each individual invoice.

**WOMEN OF NATIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2020 – 005**

Federal agency: U.S. Department of Justice

Federal program title: Crime Victim Assistance and Facility Maintenance & Repair

CFDA Number: 16.575

Pass-Through Agency: Minnesota Office of Justice Programs

Type of Finding:

- Material Weakness in Internal Control Over Compliance

**Criteria or specific requirement:** 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, §200.303 specifies that a non-federal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

**Condition:** Documentation of review and approval of cash management reports was not adequate.

**Context:** Of the 11 FSRs selected for testing, we noted that 4 did not have documentation of approval prior to submission.

**Cause:** Proper internal control processes and procedures were not in place to provide evidence of review and approval of FSRs.

**Effect:** Amounts requested for reimbursement could contain errors or improper amounts without a review process in place

**Recommendation:** We recommend that WON retain documentation of approval for each FSR that is submitted during the year.

**Views of responsible officials:** WON will ensure approval is given in writing, even when approval is initially given verbally.

**WOMEN OF NATIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2020 – 006**

Federal agency: U.S. Department of Justice

Federal program title: Crime Victim Assistance and Facility Maintenance & Repair

CFDA Number: 16.575

Pass-Through Agency: Minnesota Office of Justice Programs

Type of Finding:

- Material Weakness in Internal Control Over Compliance
- Other Matters

**Criteria or specific requirement:** 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, §200.303 specifies that a non-federal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. WON is required under the terms of the award to submit a quarterly statistical report, annual statistical report, quarterly program income report and annual financial report.

**Condition:** Documentation of review and approval of reports was not adequate. Documentation to support the information used in the statistical reports was not retained and the changes within the system caused the information to not agree to the numbers used at that time.

**Context:** Of the 3 statistical reports selected for testing, we noted that the information from the Apricot System, system used to maintain statistical information, did not agree to the information used for the statistical reports. It was noted by management that changes could be made to the Apricot System after the report was originally generated causing those differences. We also noted that for the 6 total reports selected, including both the statistical reports and quarterly program income reports, we did not see evidence of documentation of review.

**Cause:** Lack of documentation of review of reports and lack of document retention related to statistics used.

**Effect:** Incomplete or inaccurate information could be provided to grantor.

**Recommendation:** We recommend that WON have a process in place to review all reports submitted and documentation of review is retained. We recommend that information regarding statistics are retained so that the amounts used could be reperformed.

**Views of responsible officials:** Complete records will be kept of source documentation for all reports. All reports will have written documentation of review via email.

**WOMEN OF NATIONS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2020**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2020 – 007**

Federal agency: U.S. Department of Justice

Federal program title: Crime Victim Assistance and Facility Maintenance & Repair

CFDA Number: 16.575

Pass-Through Agency: Minnesota Office of Justice Programs

Type of Finding:

- Material Weakness in Internal Control Over Compliance
- Other Matters

**Criteria or specific requirement:** 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, §200.306 (b) requires that any matching funds must meet certain criteria, including that they are verifiable from the records of the organizations, are necessary and reasonable for accomplishment of program objectives, are allowable under cost principles of Uniform Guidance, and conform to other provisions. Cost principles at §200.430 specify that charges for salaries and wages must be based on records that accurately reflect the work performed. Additionally, §200.306 (e) requires that rates used for third-party volunteer services must be consistent with those paid for similar work.

**Condition:** Documentation of approved rates for university and elder volunteer time was not retained. Tracking sheets used to substantiate university volunteer hours and elder hours was not retained.

**Context:** 2 of the 12 selections for matching related to the use of volunteer hours for university volunteers and elder volunteer time. WON did not have support that the rate used for the volunteer hours for either the university or elder volunteers was approved. Noted that 1 of the 2 selections for volunteer hours was missing tracking sheets to substantiate the hours for the university and elder volunteers.

**Cause:** Support for rates used and volunteer tracking sheet was not maintained.

**Effect:** Amounts claimed for required matching could be inaccurate.

**Recommendation:** We recommend that WON retain documentation supporting the rate used for university and elder time charged to the grant, ensuring that it meets the requirements of §200.306 (e). In addition, we recommend that WON retain tracking support for all volunteer hours used, and put review procedures in place to ensure time reported is accurate.

**Views of responsible officials:** WON currently has all volunteers complete timesheets, WON staff reconciles these time sheets with the volunteers' reported hours to their Universities. WON will continue this process and will keep all documentation of timesheets. WON will reach out to OJP to confirm the proper rates are being used for all volunteer match.



*Eagle's Nest Domestic Abuse Shelter*

March 24, 2021

Women of Nations  
PO Box 7125  
Saint Paul, MN 55107

Phone: 651-251-1605  
Fax: 651-222-1207

[women-of-nations.org](http://women-of-nations.org)

Women of Nations respectfully submits the following corrective action plan for the year ended June 30, 2020.

Audit period: June 30, 2020

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### **FINDINGS—FINANCIAL STATEMENT AUDIT**

#### 2020-001 Material Weakness in Internal Control Over Financial Reporting

Recommendation: WON should evaluate their financial reporting processes and controls, including the expertise of its internal staff, to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. generally accepted accounting principles. We further recommend that WON develop a process to ensure the financial statements are materially correct.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding: WON will evaluate processes, controls, and internal expertise to ensure compliance with the GAAP.

Name(s) of the contact person(s) responsible for corrective action: Charles Nelson

Planned completion date for corrective action plan: 4/30/2021

#### 2020-002 Material Weakness in Internal Control Over Financial Reporting

Recommendation: We recommend updating the user profiles within the general ledger to ensure that each user has an independent log-in and user profile. Those users who are check signers should be limited to read-only access.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action planned/taken in response to finding: WON will reach out to Quick Books developer "Intuit" to create 2 read only accounts for WON's accounting system.

Name(s) of the contact person(s) responsible for corrective action: Charles Nelson

Planned completion date for corrective action plan: 6/30/2021

## FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

### *U.S Department of Justice*

2020-003 Crime Victim Assistance – CFDA No. 16.575

Recommendation: We recommend that WON implement a process to complete time and effort certifications and reconcile those certifications to ensure the costs reported to the grantor are accurate. We recommend that all pay rate changes contain documentation of approval. We recommend that all pay rate change forms contain documentation of the pay rate change amount and the new hourly or salary rate as a result of that change. We recommend that all additional amounts paid contain documentation that they are properly authorized. We recommend that all hourly employees have timesheets to support the hours worked and charged to the grant.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: WON will begin use of a new payroll application that will allow for time tracking across different payers. WON will review the allocation of costs across granters every 6 months to ensure their continued accuracy as individuals' roles change over time.

Name(s) of the contact person(s) responsible for corrective action: Charles Nelson

Planned completion date for corrective action plan: 6/30/2021

### *U.S Department of Justice*

2020-004 Crime Victim Assistance – CFDA No. 16.575

Recommendation: We recommend that WON document approval on each invoice rather than on the vendor summary report to ensure that all amounts are properly approved.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: WON as already implemented signed approval by the CEO and Finance Director on each individual invoice.

Name(s) of the contact person(s) responsible for corrective action: Charles Nelson

Planned completion date for corrective action plan: Complete

### *U.S Department of Justice*

2020-005 Crime Victim Assistance – CFDA No. 16.575

Recommendation: We recommend that WON retain documentation of approval for each FSR that is submitted during the year.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: WON will ensure approval is given in writing, even when approval is initially given verbally.

Name(s) of the contact person(s) responsible for corrective action: Charles Nelson

Planned completion date for corrective action plan: 3.15.2021

*U.S Department of Justice*

2020-006 Crime Victim Assistance – CFDA No. 16.575

Recommendation: We recommend that WON have a process in place to review all reports submitted and documentation of review is retained. We recommend that information regarding statistics are retained so that the amounts used could be reperformed.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Complete records will be kept of source documentation for all reports. All reports will have written documentation of review via email.

Name(s) of the contact person(s) responsible for corrective action: Charles Nelson

Planned completion date for corrective action plan: 3.31.2021

*U.S Department of Justice*

2020-007 Crime Victim Assistance – CFDA No. 16.575

Recommendation: We recommend that WON retain documentation supporting the rate used for university and elder time charged to the grant, ensuring that it meets the requirements of §200.306 (e). In addition, we recommend that WON retain tracking support for all volunteer hours used, and put review procedures in place to ensure time reported is accurate.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: WON currently has all volunteers complete timesheets, WON staff reconciles these time sheets with the volunteers' reported hours to their Universities. WON will continue this process and will keep all documentation of timesheets. WON will reach out to OJP to confirm the proper rates are being used for all volunteer match.

Name(s) of the contact person(s) responsible for corrective action: Charles Nelson

Planned completion date for corrective action plan: 5/31/2021

If there are questions regarding this plan, please call Charles Nelson at 651-251-1605.