

WOMEN OF NATIONS
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013

**WOMEN OF NATIONS
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YEARS ENDED JUNE 30, 2014 AND 2013**

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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 statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

Board of Directors
Women of Nations

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, 2014, 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.

Prior Year Financial Statements

The financial statements of Women of Nations as of June 30, 2013, were audited by other auditors whose report dated January 15, 2014, expressed an unmodified opinion on those statements.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 19, 2014

**WOMEN OF NATIONS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014 AND 2013**

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 244,270	\$ -
Grants and Accounts Receivable	4,520	195,008
Prepaid Expenses	36,716	29,567
Total Current Assets	285,506	224,575
NONCURRENT ASSETS		
Property and Equipment, Net of Accumulated Depreciation of \$914,353 in 2014 and \$908,163 in 2013	594,104	597,011
Total Assets	\$ 879,610	\$ 821,586
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Cash Overdraft	\$ -	\$ 8,521
Accounts Payable	14,380	17,705
Accrued Payroll Expenses	47,959	45,509
Deferred Revenue	8,334	-
Total Current Liabilities	70,673	71,735
NONCURRENT LIABILITIES		
Note Payable	310,000	310,000
Total Liabilities	380,673	381,735
NET ASSETS		
Unrestricted Net Assets	464,800	439,851
Temporarily Restricted Net Assets	34,137	-
Total Net Assets	498,937	439,851
Total Liabilities and Net Assets	\$ 879,610	\$ 821,586

See accompanying Notes to Financial Statements.

**WOMEN OF NATIONS
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2014 AND 2013**

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Contributions and Grants	\$ 1,440,278	\$ 34,137	\$ 1,474,415	\$ 1,305,744	\$ -	\$ 1,305,744
In-Kind Contributions	34,022	-	34,022	-	-	-
Interest Income	603	-	603	331	-	331
Other Income	45,114	-	45,114	3,005	-	3,005
Total Support and Revenue	<u>1,520,017</u>	<u>34,137</u>	<u>1,554,154</u>	<u>1,309,080</u>	<u>-</u>	<u>1,309,080</u>
EXPENSES						
Program Services:						
Shelter Program	1,051,842	-	1,051,842	989,522	-	989,522
OCE	76,822	-	76,822	65,177	-	65,177
Total Program Services	<u>1,128,664</u>	<u>-</u>	<u>1,128,664</u>	<u>1,054,699</u>	<u>-</u>	<u>1,054,699</u>
Supporting Services:						
Management and General	306,697	-	306,697	362,760	-	362,760
Fundraising	59,707	-	59,707	-	-	-
Total Supporting Services	<u>366,404</u>	<u>-</u>	<u>366,404</u>	<u>362,760</u>	<u>-</u>	<u>362,760</u>
Total Expenses	<u>1,495,068</u>	<u>-</u>	<u>1,495,068</u>	<u>1,417,459</u>	<u>-</u>	<u>1,417,459</u>
CHANGE IN NET ASSETS	24,949	34,137	59,086	(108,379)	-	(108,379)
Unrestricted Net Assets - Beginning of Year	<u>439,851</u>	<u>-</u>	<u>439,851</u>	<u>548,230</u>	<u>-</u>	<u>548,230</u>
UNRESTRICTED NET ASSETS - END OF YEAR	<u>\$ 464,800</u>	<u>\$ 34,137</u>	<u>\$ 498,937</u>	<u>\$ 439,851</u>	<u>\$ -</u>	<u>\$ 439,851</u>

See accompanying Notes to Financial Statements.

WOMEN OF NATIONS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2014

	Shelter Program	CAP	Total Program Expenses	Management and General	Fundraising	Total Expenses 2014
Salaries	\$ 619,723	\$ 44,255	\$ 663,978	\$ 168,927	\$ 47,427	\$ 880,332
Payroll Taxes	71,763	5,107	76,870	19,999	5,363	102,232
Employee Benefits	37,626	4,677	42,303	8,377	2,602	53,282
Equipment, Leases and Maintenance	66,277	2,211	68,488	6,425	-	74,913
Legal Costs	-	-	-	23,944	-	23,944
Consultants	12,681	-	12,681	39,959	-	52,640
Food	50,014	-	50,014	-	-	50,014
Insurance	58,001	5,366	63,367	17,439	-	80,806
Utilities	26,364	3,473	29,837	3,722	1,544	35,103
Telephone	12,955	1,977	14,932	1,757	878	17,567
Resident Expenses	18,663	91	18,754	-	-	18,754
Program Supplies	10,676	700	11,376	-	-	11,376
Rental Assistance	-	-	-	-	-	-
Miscellaneous	-	-	-	1,723	-	1,723
Office Supplies	528	81	609	107	-	716
Training	419	33	452	1,029	52	1,533
Travel	578	73	651	398	-	1,049
Dues/Subscriptions	1,591	212	1,803	212	106	2,121
Staff Recruitment	978	130	1,108	196	-	1,304
Printing and Postage	1,831	279	2,110	248	124	2,482
Licenses and Fees	-	-	-	-	-	-
Events	-	-	-	-	1,611	1,611
Total Before Depreciation	<u>990,668</u>	<u>68,665</u>	<u>1,059,333</u>	<u>294,462</u>	<u>59,707</u>	<u>1,413,502</u>
Depreciation and Amortization	<u>61,174</u>	<u>8,157</u>	<u>69,331</u>	<u>12,235</u>	<u>-</u>	<u>81,566</u>
Total Expenses	<u><u>\$ 1,051,842</u></u>	<u><u>\$ 76,822</u></u>	<u><u>\$ 1,128,664</u></u>	<u><u>\$ 306,697</u></u>	<u><u>\$ 59,707</u></u>	<u><u>\$ 1,495,068</u></u>

See accompanying Notes to Financial Statements.

WOMEN OF NATIONS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2013

	Shelter Program	CAP	Total Program Expenses	Management and General	Fundraising	Total Expenses 2013
Salaries	\$ 577,921	\$ 44,145	\$ 622,066	\$ 201,700	\$ -	\$ 823,766
Payroll Taxes	67,941	4,858	72,799	23,739	-	96,538
Employee Benefits	49,367	4,220	53,587	11,078	-	64,665
Equipment, Leases and Maintenance	54,040	-	54,040	6	-	54,046
Legal Costs	-	-	-	12,634	-	12,634
Consultants	6,364	-	6,364	64,514	-	70,878
Food	48,929	-	48,929	-	-	48,929
Insurance	49,374	3,895	53,269	13,784	-	67,053
Utilities	26,555	-	26,555	6,943	-	33,498
Telephone	14,756	-	14,756	4,401	-	19,157
Resident Expenses	28,940	-	28,940	-	-	28,940
Program Supplies	4,309	127	4,436	-	-	4,436
Rental Assistance	1,280	-	1,280	-	-	1,280
Miscellaneous	16	-	16	1,988	-	2,004
Office Supplies	2,790	-	2,790	1,393	-	4,183
Training	692	10	702	1,341	-	2,043
Travel	250	-	250	1,723	-	1,973
Dues/Subscriptions	177	-	177	1,450	-	1,627
Staff Recruitment	1,933	-	1,933	-	-	1,933
Printing and Postage	309	30	339	283	-	622
Licenses and Fees	748	-	748	-	-	748
Events	-	-	-	-	-	-
Total Before Depreciation	<u>936,691</u>	<u>57,285</u>	<u>993,976</u>	<u>346,977</u>	<u>-</u>	<u>1,340,953</u>
Depreciation and Amortization	<u>52,831</u>	<u>7,892</u>	<u>60,723</u>	<u>15,783</u>	<u>-</u>	<u>76,506</u>
Total Expenses	<u>\$ 989,522</u>	<u>\$ 65,177</u>	<u>\$ 1,054,699</u>	<u>\$ 362,760</u>	<u>\$ -</u>	<u>\$ 1,417,459</u>

See accompanying Notes to Financial Statements.

**WOMEN OF NATIONS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2014 AND 2013**

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 59,086	\$ (108,379)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	81,566	76,506
Loss on Disposal of Property and Equipment	2,119	-
In-Kind Website Contribution	(17,280)	-
(Increase) Decrease in:		
Grants and Accounts Receivable	190,488	(27,915)
Prepaid Expenses	(7,149)	(18,928)
Increase (Decrease) in:		
Cash Overdraft	(8,521)	8,521
Accounts Payable	(3,325)	23,562
Deferred Revenue	8,334	-
Accrued Payroll Expenses	2,450	(3,592)
Net Cash Provided (Used) by Operating Activities	307,768	(50,225)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property and Equipment	(63,498)	(3,452)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Line of Credit	-	(40,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	244,270	(93,677)
Cash and Cash Equivalents - Beginning of Year	-	93,677
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 244,270	\$ -
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ -	\$ 924
In-Kind Website Contribution	\$ 17,280	\$ -

See accompanying Notes to Financial Statements.

**WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

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 611 A. 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 the Organization's mission.

WON was formed over thirty years ago to provide culturally sensitive domestic abuse services under state enabling legislation that recognizes the Organization'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

The Organization reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted – Unrestricted net assets are net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations. These net assets also include those funds that are designated for specific purposes by the board of directors.

Temporarily Restricted – Temporarily restricted net assets include gifts of cash and other assets received with donor stipulations that limit the use of the donated assets. When a time restriction expires or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released after satisfaction from restrictions.

Permanently Restricted – Permanently restricted net assets include funds that have been restricted by the donor to be held in perpetuity. At June 30, 2014 and 2013, the Organization had no permanently restricted net assets.

**WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets Classifications (Continued)

Contributions with donor-imposed conditions, such as time or purpose restrictions, are recorded as temporarily restricted contributions. When donor-imposed time conditions expire or donor-imposed purpose restrictions are fulfilled, the temporarily restricted net assets are reclassified to unrestricted net assets. This reclassification is reported as net assets released from restrictions on the statement of activities. If, however, restricted contributions are received and released from restriction in the same year, the support is recognized as unrestricted in the financial statements.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers cash on hand and on deposit in banks, short-term and highly liquid investments to be cash equivalents. The Organization 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 FDIC insured limits.

Grants Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Property and Equipment

Property and equipment purchased are stated at cost. The Organization 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.

Revenue Recognition

Contributions, which include unconditional promises to give, are recognized as revenues in the period received. Conditional pledges are not included as support until such time as the conditions are substantially met.

In-Kind Contributions

Contributions of donated non-cash 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, 2014 or 2013 were \$34,022 and \$-0-, respectively.

**WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-Kind Contributions (Continued)

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.

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 2014, 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. The tax returns for the years 2011 through 2013 are open to examination by federal and state authorities.

Reclassification

Certain reclassifications have been made to the prior year financial statements to conform to current year presentation. The reclassifications have no effect on the change in net assets or the total net assets as previously reported.

Subsequent Events

WON has evaluated subsequent events through November 19, 2014, the date the financial statements were available to be issued.

WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 3 GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable are expected to be collected through June 30, 2015. Grants and accounts receivable, which are considered fully collectible, consist of the following as of June 30:

	2014	2013
Office of Justice Programs	\$ -	\$ 184,647
Miscellaneous Others	4,520	10,361
Total	<u>\$ 4,520</u>	<u>\$ 195,008</u>

NOTE 4 PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

	2014	2013	Estimated Life
Land	\$ 32,169	\$ 32,169	N/A
Building	289,525	289,525	27.5 Years
Building Improvements	954,676	962,280	10-27.5 Years
Furnishing/Other Equipment	128,671	174,579	3-7 Years
Website	17,280	-	3 Years
Vehicles	43,156	46,621	5 Years
	<u>1,465,477</u>	<u>1,505,174</u>	
Less: Accumulated Depreciation	<u>(871,373)</u>	<u>(908,163)</u>	
Total	<u>\$ 594,104</u>	<u>\$ 597,011</u>	

Depreciation expense of \$81,566 and \$76,506 was recorded for the years ended June 30, 2014 and 2013, respectively.

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following as of June 30:

	2014	2013
Educational Programs	\$ 1,028	\$ -
Capital Improvements	2,109	-
General Operations Restricted for Time	31,000	-
Total	<u>\$ 34,137</u>	<u>\$ -</u>

**WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

NOTE 6 OPERATING LEASE

In October 2013, WON signed a 60-month lease agreement for a copier. Future minimum lease payments as of June 30 are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 7,140
2016	7,140
2017	7,140
2018	7,140
2019	1,785
Total	<u>\$ 30,345</u>

Rent expense was \$26,385 and \$10,668 for the years ended June 30, 2014 and 2013, respectively.

NOTE 7 NOTES PAYABLE

Notes payable consist of the following as of June 30:

<u>Description</u>	<u>2014</u>	<u>2013</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 the Organization is held as collateral for the loan.	<u>\$ 310,000</u>	<u>\$ 310,000</u>

NOTE 8 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 23, 2015. The line's effective rate of interest at June 30, 2014 was 5.3%. The outstanding amount on the line at June 30, 2014 and 2013 was \$-0-.

**WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

NOTE 9 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 10 CONCENTRATION OF REVENUES AND CREDIT RISK

For the years ended June 30, 2014 and 2013, WON derived approximately 81% and 94%, 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 year ended June 30, 2013, approximately 95% of its grants and accounts receivable is from one source. No concentrations of grants receivable exist for the year ended June 30, 2014.

NOTE 11 RELATED PARTY TRANSACTIONS

For the years ended June 30, 2014 and 2013, WON paid \$22,100 and \$16,393, respectively, to board members for their consulting services.