

WOMEN OF NATIONS
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015

**WOMEN OF NATIONS
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YEARS ENDED JUNE 30, 2016 AND 2015**

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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, 2016 and 2015, 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. 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, 2016 and 2015, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 23, 2016

**WOMEN OF NATIONS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015**

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 92,553	\$ 157,264
Grants and Accounts Receivable	95,419	106,277
Prepaid Expenses	34,655	23,087
Total Current Assets	222,627	286,628
NONCURRENT ASSETS		
Investments	7,089	7,089
Property and Equipment, Net of Accumulated Depreciation of \$966,746 in 2016 and \$919,538 in 2015	469,836	511,995
Total Noncurrent Assets	476,925	519,084
Total Assets	\$ 699,552	\$ 805,712
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 4,864	\$ 13,463
Accrued Payroll Expenses	15,200	44,108
Total Current Liabilities	20,064	57,571
NONCURRENT LIABILITIES		
Note Payable	310,000	310,000
Total Liabilities	330,064	367,571
NET ASSETS		
Unrestricted Net Assets	365,118	426,161
Temporarily Restricted Net Assets	4,370	11,980
Total Net Assets	369,488	438,141
Total Liabilities and Net Assets	\$ 699,552	\$ 805,712

See accompanying Notes to Financial Statements.

**WOMEN OF NATIONS
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Contributions and Grants	\$ 1,321,573	\$ 9,500	\$ 1,331,073	\$ 1,286,222	\$ 9,871	\$ 1,296,093
In-Kind Contributions	20,264	-	20,264	76,897	-	76,897
Interest Income	898	-	898	478	-	478
Other Income	11,209	-	11,209	36,186	-	36,186
Released from Restriction	17,110	(17,110)	-	32,028	(32,028)	-
Total Support and Revenue	<u>1,371,054</u>	<u>(7,610)</u>	<u>1,363,444</u>	<u>1,431,811</u>	<u>(22,157)</u>	<u>1,409,654</u>
EXPENSES						
Program Services:						
Shelter Program	866,793	-	866,793	957,530	-	957,530
OCE	69,779	-	69,779	52,965	-	52,965
Total Program Services	<u>936,572</u>	<u>-</u>	<u>936,572</u>	<u>1,010,495</u>	<u>-</u>	<u>1,010,495</u>
Supporting Services:						
Management and General	355,971	-	355,971	336,240	-	336,240
Fundraising	139,554	-	139,554	123,715	-	123,715
Total Supporting Services	<u>495,525</u>	<u>-</u>	<u>495,525</u>	<u>459,955</u>	<u>-</u>	<u>459,955</u>
Total Expenses	<u>1,432,097</u>	<u>-</u>	<u>1,432,097</u>	<u>1,470,450</u>	<u>-</u>	<u>1,470,450</u>
CHANGE IN NET ASSETS	(61,043)	(7,610)	(68,653)	(38,639)	(22,157)	(60,796)
Net Assets - Beginning of Year	<u>426,161</u>	<u>11,980</u>	<u>438,141</u>	<u>464,800</u>	<u>34,137</u>	<u>498,937</u>
NET ASSETS - END OF YEAR	<u>\$ 365,118</u>	<u>\$ 4,370</u>	<u>\$ 369,488</u>	<u>\$ 426,161</u>	<u>\$ 11,980</u>	<u>\$ 438,141</u>

See accompanying Notes to Financial Statements.

**WOMEN OF NATIONS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016**

	Shelter Program	CAP	Total Program Expenses	Management and General	Fundraising	Total Expenses 2016
Salaries	\$ 485,988	\$ 42,273	\$ 528,260	\$ 249,382	\$ 106,416	\$ 884,058
Payroll Taxes	59,902	5,590	65,492	31,329	13,027	109,848
Employee Benefits	7,083	-	7,083	3,528	9,927	20,538
Equipment, Leases and Maintenance	59,510	1,025	60,535	7,093	-	67,628
Legal Costs	-	-	-	358	-	358
Consultants	-	-	-	32,263	-	32,263
Food	66,061	-	66,061	-	-	66,061
Insurance	41,155	5,550	46,704	12,176	-	58,880
Utilities	28,421	3,491	31,912	4,080	1,552	37,544
Telephone	10,969	1,673	12,642	1,487	744	14,873
Resident Expenses	17,250	193	17,442	-	-	17,442
Program Supplies	9,580	700	10,280	-	-	10,280
Miscellaneous	19	-	19	1,004	-	1,023
Office Supplies	1,189	181	1,370	242	-	1,612
Training	1,079	125	1,204	267	14	1,485
Travel	284	36	320	265	-	585
Dues/Subscriptions	1,673	223	1,896	223	111	2,230
Staff Recruitment	931	124	1,055	186	-	1,241
Printing and Postage	1,712	261	1,973	232	116	2,321
In-Kind Expenses	14,035	208	14,243	-	6,021	20,264
Events	672	224	895	-	1,626	2,521
Total Before Depreciation	<u>807,511</u>	<u>61,875</u>	<u>869,386</u>	<u>344,115</u>	<u>139,554</u>	<u>1,353,055</u>
Depreciation and Amortization	<u>59,282</u>	<u>7,904</u>	<u>67,186</u>	<u>11,856</u>	<u>-</u>	<u>79,042</u>
Total Expenses	<u><u>\$ 866,793</u></u>	<u><u>\$ 69,779</u></u>	<u><u>\$ 936,572</u></u>	<u><u>\$ 355,971</u></u>	<u><u>\$ 139,554</u></u>	<u><u>\$ 1,432,097</u></u>

See accompanying Notes to Financial Statements.

**WOMEN OF NATIONS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015**

	Shelter Program	CAP	Total Program Expenses	Management and General	Fundraising	Total Expenses 2015
Salaries	\$ 517,706	\$ 26,376	\$ 544,082	\$ 193,285	\$ 92,933	\$ 830,300
Payroll Taxes	67,182	3,139	70,321	23,680	11,498	105,499
Employee Benefits	18,625	812	19,437	5,322	6,825	31,584
Equipment, Leases and Maintenance	68,683	1,405	70,088	7,524	-	77,612
Legal Costs	-	-	-	32,351	-	32,351
Consultants	-	-	-	36,813	-	36,813
Food	50,512	-	50,512	-	-	50,512
Insurance	40,899	5,066	45,965	15,570	-	61,535
Utilities	29,423	3,840	33,263	4,163	1,706	39,132
Telephone	11,137	1,699	12,836	1,510	755	15,101
Resident Expenses	7,686	87	7,773	-	-	7,773
Program Supplies	2,596	700	3,296	-	-	3,296
Miscellaneous	-	-	-	505	-	505
Office Supplies	1,042	158	1,200	212	-	1,412
Training	781	99	880	705	37	1,622
Travel	616	78	694	444	-	1,138
Dues/Subscriptions	1,590	212	1,802	1,055	106	2,963
Staff Recruitment	681	91	772	136	-	908
Printing and Postage	724	114	838	98	49	985
In-Kind Expenses	72,277	-	72,277	165	4,455	76,897
Events	1,864	621	2,485	-	5,351	7,836
Total Before Depreciation	<u>894,024</u>	<u>44,497</u>	<u>938,521</u>	<u>323,538</u>	<u>123,715</u>	<u>1,385,774</u>
Depreciation and Amortization	<u>63,506</u>	<u>8,468</u>	<u>71,974</u>	<u>12,702</u>	<u>-</u>	<u>84,676</u>
Total Expenses	<u><u>\$ 957,530</u></u>	<u><u>\$ 52,965</u></u>	<u><u>\$ 1,010,495</u></u>	<u><u>\$ 336,240</u></u>	<u><u>\$ 123,715</u></u>	<u><u>\$ 1,470,450</u></u>

See accompanying Notes to Financial Statements.

**WOMEN OF NATIONS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (68,653)	\$ (60,796)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	79,042	84,676
(Increase) Decrease in Assets:		
Grants and Accounts Receivable	10,858	(101,757)
Prepaid Expenses	(11,568)	13,629
Increase (Decrease) in Liabilities:		
Accounts Payable	(8,599)	(917)
Deferred Revenue	-	(8,334)
Accrued Payroll Expenses	(28,908)	(3,851)
Net Cash Used by Operating Activities	(27,828)	(77,350)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property and Equipment	(36,883)	(2,567)
Purchase of Investments	-	(7,089)
Net Cash Used by Investing Activities	(36,883)	(9,656)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(64,711)	(87,006)
Cash and Cash Equivalents - Beginning of Year	157,264	244,270
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 92,553	\$ 157,264

See accompanying Notes to Financial Statements.

**WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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 the Organization's mission.

WON was formed over 30 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, 2016 and 2015, the Organization had no permanently restricted net assets.

**WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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, 2016 and 2015 were \$20,264 and \$76,897, respectively.

**WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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.

Government Grants

Governmental grant funds are recorded when reimbursements are requested. All governmental grant funds are received on a reimbursement basis. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

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 2016 and 2015, 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 November 23, 2016, the date the financial statements were available to be issued.

WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 3 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>2016</u>	<u>2015</u>
Office of Justice Programs	\$ 94,573	\$ 88,194
Miscellaneous Others	846	18,083
Total	<u>\$ 95,419</u>	<u>\$ 106,277</u>

NOTE 4 PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

	<u>2016</u>	<u>2015</u>	<u>Estimated Life</u>
Land	\$ 32,169	\$ 32,169	N/A
Building	289,525	289,525	27.5 Years
Building Improvements	944,246	945,767	10-27.5 Years
Furnishing/Other Equipment	131,800	125,230	3-7 Years
Website	17,280	17,280	3 Years
Vehicles	21,562	21,562	5 Years
	<u>1,436,582</u>	<u>1,431,533</u>	
Less: Accumulated Depreciation	<u>(966,746)</u>	<u>(919,538)</u>	
Total	<u>\$ 469,836</u>	<u>\$ 511,995</u>	

Depreciation expense of \$79,042 and \$84,676 was recorded for the years ended June 30, 2016 and 2015, respectively.

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2016</u>	<u>2015</u>
Educational Programs	\$ 3,943	\$ 3,765
Room Spruce Up	-	5,183
Christmas	264	798
Playground	125	125
Capital Improvements	-	2,109
Garden	38	-
Total	<u>\$ 4,370</u>	<u>\$ 11,980</u>

**WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

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

	<u>2016</u>	<u>2015</u>
Educational Programs	\$ 3,823	\$ 1,028
Room Spruce Up	5,183	-
Christmas	5,533	-
Garden	462	-
Capital Improvements	2,109	-
General Operations Restricted for Time	-	31,000
Total	<u>\$ 17,110</u>	<u>\$ 32,028</u>

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 Ending June 30,</u>	<u>Amount</u>
2017	\$ 7,140
2018	7,140
2019	1,785
Total	<u>\$ 16,065</u>

Rent expense was \$9,918 and \$9,866 for the years ended June 30, 2016 and 2015, respectively.

NOTE 7 NOTES PAYABLE

Notes payable consist of the following as of June 30:

<u>Description</u>	<u>2016</u>	<u>2015</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>

**WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

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 15, 2017. The line's effective rate of interest at June 30, 2016 was 5.3%. The outstanding amount on the line at June 30, 2016 and 2015 was \$-0-

NOTE 9 IN-KIND CONTRIBUTIONS

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

	2016			
	Program	Administration	Fundraising	Total
Silent Auction Items	\$ -	\$ -	\$ 6,021	\$ 6,021
Program Supplies	13,410	-	-	13,410
Feast Goods and Services	833	-	-	833
Total In-Kinds	\$ 14,243	\$ -	\$ 6,021	\$ 20,264

	2015			
	Program	Administration	Fundraising	Total
Silent Auction Items	\$ -	\$ -	\$ -	\$ -
Program Supplies	76,897	-	-	76,897
Feast Goods and Services	-	-	-	-
Total In-Kinds	\$ 76,897	\$ -	\$ -	\$ 76,897

NOTE 10 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 11 CONCENTRATION OF REVENUES AND CREDIT RISK

For the years ended June 30, 2016 and 2015, WON derived approximately 88% and 84%, 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, 2016 and 2015, approximately 99% and 83%, respectively, of its grants and accounts receivable is from one source.