

WOMEN OF NATIONS
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016

**WOMEN OF NATIONS
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8

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, 2017 and 2016, 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, 2017 and 2016, 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 15, 2017

**WOMEN OF NATIONS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016**

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 150,122	\$ 92,553
Grants and Accounts Receivable	116,674	95,419
Prepaid Expenses	30,014	34,655
Total Current Assets	296,810	222,627
NONCURRENT ASSETS		
Investments	7,089	7,089
Property and Equipment, Net of Accumulated Depreciation of \$946,762 in 2017 and \$966,746 in 2016	537,115	469,836
Total Noncurrent Assets	544,204	476,925
Total Assets	\$ 841,014	\$ 699,552
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 12,247	\$ 4,864
Accrued Payroll Expenses	24,365	15,200
Total Current Liabilities	36,612	20,064
NONCURRENT LIABILITIES		
Note Payable	310,000	310,000
Total Liabilities	346,612	330,064
NET ASSETS		
Unrestricted Net Assets	459,881	365,118
Temporarily Restricted Net Assets	34,521	4,370
Total Net Assets	494,402	369,488
Total Liabilities and Net Assets	\$ 841,014	\$ 699,552

See accompanying Notes to Financial Statements.

**WOMEN OF NATIONS
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2017 AND 2016**

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Contributions and Grants	\$ 1,780,700	\$ 39,200	\$ 1,819,900	\$ 1,321,573	\$ 9,500	\$ 1,331,073
In-Kind Contributions	77,439	-	77,439	20,264	-	20,264
Interest Income	731	-	731	898	-	898
Other Gains (Losses)	(824)	-	(824)	11,209	-	11,209
Released from Restriction	9,049	(9,049)	-	17,110	(17,110)	-
Total Support and Revenue	<u>1,867,095</u>	<u>30,151</u>	<u>1,897,246</u>	<u>1,371,054</u>	<u>(7,610)</u>	<u>1,363,444</u>
EXPENSES						
Program Services:						
Shelter Program	1,188,915	-	1,188,915	866,793	-	866,793
OCE	204,155	-	204,155	69,779	-	69,779
Total Program Services	<u>1,393,070</u>	<u>-</u>	<u>1,393,070</u>	<u>936,572</u>	<u>-</u>	<u>936,572</u>
Supporting Services:						
Management and General	296,212	-	296,212	355,971	-	355,971
Fundraising	83,050	-	83,050	139,554	-	139,554
Total Supporting Services	<u>379,262</u>	<u>-</u>	<u>379,262</u>	<u>495,525</u>	<u>-</u>	<u>495,525</u>
Total Expenses	<u>1,772,332</u>	<u>-</u>	<u>1,772,332</u>	<u>1,432,097</u>	<u>-</u>	<u>1,432,097</u>
CHANGE IN NET ASSETS	94,763	30,151	124,914	(61,043)	(7,610)	(68,653)
Net Assets - Beginning 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>
NET ASSETS - END OF YEAR	<u>\$ 459,881</u>	<u>\$ 34,521</u>	<u>\$ 494,402</u>	<u>\$ 365,118</u>	<u>\$ 4,370</u>	<u>\$ 369,488</u>

See accompanying Notes to Financial Statements.

WOMEN OF NATIONS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017

	Shelter Program	CAP	Total Program Expenses	Management and General	Fundraising	Total Expenses 2017
Salaries	\$ 694,823	\$ 147,259	\$ 842,082	\$ 187,898	\$ 58,417	\$ 1,088,397
Payroll Taxes	87,675	18,189	105,864	23,596	7,330	136,790
Employee Benefits	11,102	8,667	19,769	3,339	4,669	27,777
Equipment, Leases, and Maintenance	85,023	1,000	86,023	9,722	-	95,745
Legal Costs	-	-	-	633	-	633
Consultants	-	-	-	34,437	-	34,437
Food	61,582	-	61,582	-	-	61,582
Insurance	33,528	3,677	37,204	7,735	-	44,939
Utilities	26,630	3,409	30,039	3,786	1,515	35,340
Telephone	11,821	1,803	13,624	1,603	802	16,029
Resident Expenses	30,325	361	30,686	-	-	30,686
Program Supplies	10,114	924	11,038	-	-	11,038
Miscellaneous	-	-	-	8,409	-	8,409
Office Supplies	1,756	287	2,043	383	-	2,426
Training	1,668	193	1,860	359	15	2,234
Travel	341	43	384	269	-	653
Dues/Subscriptions	3,688	491	4,179	492	246	4,917
Staff Recruitment	2,979	397	3,376	681	-	4,057
Printing and Postage	6,628	1,011	7,639	898	449	8,986
In-Kind Expenses	59,368	8,464	67,832	-	9,607	77,439
Events	-	-	-	-	-	-
	<u>1,129,051</u>	<u>196,173</u>	<u>1,325,224</u>	<u>284,240</u>	<u>83,050</u>	<u>1,692,514</u>
Total Before Depreciation						
Depreciation and Amortization	59,864	7,982	67,846	11,972	-	79,818
	<u>\$ 1,188,915</u>	<u>\$ 204,155</u>	<u>\$ 1,393,070</u>	<u>\$ 296,212</u>	<u>\$ 83,050</u>	<u>\$ 1,772,332</u>
Total Expenses						

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
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 124,914	\$ (68,653)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	79,818	79,042
Loss on sale of property and equipment	36,623	-
(Increase) Decrease in Assets:		
Grants and Accounts Receivable	(21,255)	10,858
Prepaid Expenses	4,641	(11,568)
Increase (Decrease) in Liabilities:		
Accounts Payable	4,755	(8,599)
Accrued Payroll Expenses	9,165	(28,908)
Net Cash Provided (Used) by Operating Activities	238,661	(27,828)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property and Equipment	(181,092)	(36,883)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	57,569	(64,711)
Cash and Cash Equivalents - Beginning of Year	92,553	157,264
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 150,122	\$ 92,553
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Amounts Included in Year-End Accounts Payable for the Purchase of Property and Equipment	\$ 2,628	\$ -

See accompanying Notes to Financial Statements.

**WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

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, 2017 and 2016, the Organization had no permanently restricted net assets.

**WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

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 Federal Deposit Insurance Corporation 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 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, 2017 and 2016 were \$77,439 and \$20,264, respectively.

**WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

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 2017 and 2016, 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 15, 2017, the date the financial statements were available to be issued.

WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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:

	2017	2016
Office of Justice Programs	\$ 113,085	\$ 94,573
Miscellaneous Others	3,589	846
Total	<u>\$ 116,674</u>	<u>\$ 95,419</u>

NOTE 4 PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

	2017	2016	Estimated Life
Land	\$ 32,169	\$ 32,169	N/A
Building	289,525	289,525	27.5 Years
Building Improvements	990,842	944,246	10-27.5 Years
Furnishing/Other Equipment	131,599	131,800	3-7 Years
Website	17,280	17,280	3 Years
Vehicles	22,462	21,562	5 Years
Subtotal	<u>1,483,877</u>	<u>1,436,582</u>	
Less: Accumulated Depreciation	<u>(946,762)</u>	<u>(966,746)</u>	
Total	<u>\$ 537,115</u>	<u>\$ 469,836</u>	

Depreciation expense of \$79,818 and \$79,042 was recorded for the years ended June 30, 2017 and 2016, respectively.

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

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

	2017	2016
Educational Programs	\$ -	\$ 3,943
Christmas	8	264
Playground	14,475	125
Capital Improvements	20,000	-
Garden	38	38
Total	<u>\$ 34,521</u>	<u>\$ 4,370</u>

**WOMEN OF NATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

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

	<u>2017</u>	<u>2016</u>
Educational Programs	\$ 3,942	\$ 3,823
Room Spruce Up	-	5,183
Christmas	257	5,533
Garden	-	462
Capital Improvements	-	2,109
Playground Donations	4,850	-
Total	<u>\$ 9,049</u>	<u>\$ 17,110</u>

NOTE 6 OPERATING LEASE

In January 2017, WON renegotiated a 12-month lease agreement for a copier. Future minimum lease payments as of June 30 are \$2,430.

Rent expense was \$10,966 and \$9,918 for the years ended June 30, 2017 and 2016, respectively.

NOTE 7 NOTES PAYABLE

Notes payable consist of the following as of June 30:

<u>Description</u>	<u>2017</u>	<u>2016</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, 2017 AND 2016**

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 7, 2018. The line's effective rate of interest at June 30, 2017 was 5.3%. The outstanding amount on the line at June 30, 2017 and 2016 was \$-0-.

NOTE 9 IN-KIND CONTRIBUTIONS

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

	2017			
	Program	Administration	Fundraising	Total
Silent Auction Items	\$ -	\$ -	\$ 9,727	\$ 9,727
Program Supplies	67,712	-	-	67,712
Total In-Kinds	\$ 67,712	\$ -	\$ 9,727	\$ 77,439
	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

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, 2017 and 2016, WON derived approximately 88%, 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, 2017 and 2016, approximately 97% and 99%, respectively, of its grants and accounts receivable is from one source.