

WOMEN'S RESOURCE CENTER IN DURANGO

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2011

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

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FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2011

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June 7, 2012

INDEPENDENT AUDITORS' REPORT

Board of Directors
Women's Resource Center in Durango
Durango, Colorado

We have audited the accompanying statement of financial position of **Women's Resource Center in Durango** (a Colorado nonprofit corporation) as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the management of Women's Resource Center in Durango. Our responsibility is to express an opinion on these financial statements based on our audit. Information for the year ended December 31, 2010 is presented for comparative purposes only and was extracted from the financial statements and presented by net asset class for that year, on which an unqualified opinion dated January 28, 2011 was expressed.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women's Resource Center in Durango as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Statement of Functional Expenses is presented for purposes of additional analysis, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

WOMEN'S RESOURCE CENTER IN DURANGO

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2011

WITH COMPARATIVE TOTALS FOR 2010

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 28,666	\$ 37,944
Cash and cash equivalents - temporarily restricted	573	-
Accounts receivable (Note 3)	12,483	11,309
Prepaid expenses	2,289	2,101
Microloans receivable, net - board designated (Note 4)	13,430	10,931
Deposits	1,800	1,800
Property and equipment, net (Note 5)	311,426	320,815
Investments at fair market value - unrestricted and board designated (Note 6)	139,658	162,827
Beneficial interest in assets held by others - board designated and permanently restricted (Note 7)	<u>25,418</u>	<u>25,000</u>
Total assets	<u>\$ 535,743</u>	<u>\$ 572,727</u>
 <u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 574	\$ 951
Payroll liabilities	573	802
Deferred revenue (Note 8)	<u>2,572</u>	<u>23,086</u>
Total liabilities	<u>3,719</u>	<u>24,839</u>
 <u>Net assets</u>		
<u>Unrestricted</u>		
Operating	56,786	35,664
Board designated (Note 9)	150,711	178,881
Net investment in property and equipment	311,426	320,815
Temporarily restricted net assets (Note 10)	573	-
Permanently restricted net assets (Note 11)	<u>12,528</u>	<u>12,528</u>
Total net assets	<u>532,024</u>	<u>547,888</u>
Total liabilities and net assets	<u>\$ 535,743</u>	<u>\$ 572,727</u>

The accompanying notes are an integral part of these financial statements

WOMEN'S RESOURCE CENTER IN DURANGO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011
WITH COMPARATIVE TOTALS FOR 2010

	2011			2010	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<u>Revenue and other support</u>					
Government grants and contracts	\$ 176,536	\$ -	\$ -	\$ 176,536	\$ 164,845
Fund-raising	79,531	-	-	79,531	81,662
Less: Direct fund-raising expenses	(30,745)	-	-	(30,745)	(30,066)
Grants	17,614	37,408	-	55,022	35,916
Donations	27,741	7,801	-	35,542	24,424
Dues and memberships	32,711	-	-	32,711	27,560
Program support revenue	10,206	-	-	10,206	7,545
Investment income	6,865	-	-	6,865	8,176
Unrealized gain (loss) on investments	(5,033)	-	-	(5,033)	4,628
Refund health credit	2,233	-	-	2,233	-
Interest	1,272	-	-	1,272	914
Cookbook sales, net	760	-	-	760	-
Change in assets held by others	418	-	-	418	1,537
Microloans grant	50	-	-	50	42,025
Other revenue	101	-	-	101	302
In-kind contributions (Note 12)	6,080	-	-	6,080	-
Net assets released from restrictions (Note 13)	44,636	(44,636)	-	-	-
Total revenue and other support	<u>370,976</u>	<u>573</u>	<u>-</u>	<u>371,549</u>	<u>369,468</u>
<u>Expense</u>					
Program services	272,837	-	-	272,837	260,373
Supporting services					
Management and general	60,076	-	-	60,076	49,165
Fund-raising	54,500	-	-	54,500	52,216
Total expense	<u>387,413</u>	<u>-</u>	<u>-</u>	<u>387,413</u>	<u>361,754</u>
Change in net assets	(16,437)	573	-	(15,864)	7,714
Net assets, beginning of year	<u>535,360</u>	<u>-</u>	<u>12,528</u>	<u>547,888</u>	<u>540,174</u>
Net assets, end of year	<u>\$ 518,923</u>	<u>\$ 573</u>	<u>\$ 12,528</u>	<u>\$ 532,024</u>	<u>\$ 547,888</u>

The accompanying notes are an integral part of these financial statements

WOMEN'S RESOURCE CENTER IN DURANGO

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011
WITH COMPARATIVE TOTALS FOR 2010

	2011	2010
<u>Cash flows from operating activities</u>		
Change in net assets	\$ (15,864)	\$ 7,714
Adjustments to reconcile change in net assets to net cash provided(used) by operating activities		
Depreciation	9,389	9,389
Unrealized (gains) on investments	(5,503)	(4,628)
(Increase)decrease in assets held by others	418	(1,922)
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts receivable	(1,174)	1,111
(Increase)decrease in prepaid expenses	(188)	(535)
(Increase)decrease in microloans receivable	(2,499)	2,569
(Decrease)increase in accounts payable	(377)	387
(Decrease)increase in payroll accruals	(229)	(7,508)
(Decrease)increase in deferred revenue	(20,514)	11,413
(Decrease)increase in microloan payable	-	(42,000)
	(36,541)	(24,010)
<u>Cash flows from investing activities</u>		
Sale of investments	27,836	23,055
Net decrease in cash and cash equivalents	(8,705)	(955)
Cash and cash equivalents, beginning of year	37,944	38,899
Cash and cash equivalents, end of year	\$ 29,239	\$ 37,944

The accompanying notes are an integral part of these financial statements

WOMEN'S RESOURCE CENTER IN DURANGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - NATURE OF ACTIVITIES

The Women's Resource Center in Durango (the Organization) is a nonprofit 501(c)(3) corporation and was formed in 1987 to be an advocate for the personal empowerment and economic self-sufficiency of women. The Organization is funded by a fee for service arrangement with La Plata County and the Colorado Department of Human Development, fund-raising events, grants from private foundations and service clubs, membership donations, and dues.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

3. Restricted and Unrestricted Revenue

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

4. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

5. Microloans Receivable

The Organization states microloans receivable at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance.

WOMEN'S RESOURCE CENTER IN DURANGO
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (continued)

6. Donations

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or 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 from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The fair value of donated services received may only be recognized if such services (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Other non-cash donations are valued at estimated fair value at the date of receipt.

Donations generated by internally produced events are recorded at the gross amount received. Related costs of producing the events are recorded as direct fund-raising expense and are included in revenue and other support on the Statement of Activities.

7. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$500 with a useful life of more than one year. The fair value of donated assets is similarly capitalized. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis with estimated useful lives range from 5 to 39 years.

8. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

WOMEN'S RESOURCE CENTER IN DURANGO
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (continued)

9. Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal revenue code, except on net income derived from unrelated business activities. Unrelated business activities are defined as not being substantially related to the exercise or performance of the Organization's exempt purpose. If unrelated business activities occur, the Organization determines how to measure those activities, the effect on the financial statements, and whether the Organization would continue to qualify as being exempt from income taxes.

The Organization's federal Exempt Organization Business Income Tax Returns (Form 990-T) are subject to examination by the IRS, generally for three years after they are filed. Any penalties and interest incurred would be recognized as management and general expenses. The Organization determined there were no unrelated business activities occurring during the years ended December 31, 2011 and 2010. Consequently, the accompanying financial statements exclude a liability for uncertain income tax positions.

10. Fair Value of Financial Instruments

The Organization has a number of financial instruments, none of which is held for trading purposes. The Organization estimates that the fair value of all financial instruments at December 31, 2011 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Organization using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

11. Fair Value Measurements

The Organization applies GAAP for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in an active market for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

WOMEN'S RESOURCE CENTER IN DURANGO
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (concluded)

12. Functional Reporting of Expenses

For the year ended December 31, 2011, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

13. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2010 from which the summarized information was derived.

14. Subsequent Events

Management has evaluated subsequent events through June 7, 2012, the date the financial statements were available to be issued. No events were identified that required additional disclosure, except as identified in Note 15.

15. Amounts Reclassified

Certain revenue accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation of the current year financial statements.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consist mostly of government fee for service contracts. Management believes these are 100% collectible; accordingly, there is no provision for doubtful accounts.

NOTE 4 - MICROLOANS RECEIVABLE

Microloans receivable consists of four loans made to women in business:

<u>Description</u>	<u>Amount</u>
Microloans receivable	\$ 16,430
Allowance for doubtful accounts	<u>(3,000)</u>
Net microloans receivable	<u>\$ 13,430</u>

WOMEN'S RESOURCE CENTER IN DURANGO
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2011

NOTE 4 - MICROLOANS RECEIVABLE (concluded)

Amounts deemed uncollectible of \$1,517 were written off in the current year. Interest income from microloans in 2011 was \$815. The terms of the loans vary, and interest rates range from 5% to 7%.

Anticipated collections over the next five years are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 3,500
2013	2,200
2014	1,200
2015	1,200
2016 and after	<u>5,330</u>
Net microloans receivable	<u>\$ 13,430</u>

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of:

<u>Description</u>	<u>Amount</u>
Condo office unit	\$ 355,263
Equipment and fixtures	<u>16,450</u>
Total	371,713
Less: accumulated depreciation	<u>(60,287)</u>
Net property and equipment	<u>\$ 311,426</u>

Depreciation expense for the year was \$9,389.

WOMEN'S RESOURCE CENTER IN DURANGO
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2011

NOTE 6 - INVESTMENTS AT FAIR MARKET VALUE

Investments are carried at fair market value and consist of the following:

<u>Description</u>	<u>Cost</u> <u>Basis</u>	<u>Fair</u> <u>Market</u> <u>Value</u>	<u>Unrealized</u> <u>Losses</u>
Cash held in investment accounts	\$ 47,617	\$ 45,991	\$ (1,626)
Mutual funds	<u>97,074</u>	<u>93,667</u>	<u>(3,407)</u>
Total	<u>\$ 144,691</u>	<u>\$ 139,658</u>	<u>\$ (5,033)</u>

Investment income for the year is summarized as follows:

<u>Description</u>	<u>Amount</u>
Interest and dividends	\$ 6,050
Unrealized losses	<u>(5,033)</u>
Total investment income	<u>\$ 1,017</u>

Additionally, the Organization earned interest income of \$815 on cash balances and micro-lending operations. This is included in investment income on the financial statements. Investments held with Wells Fargo Advisors are carried at fair value based on quoted prices in active markets and are considered Level 1 measurements.

NOTE 7 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Women's Resource Center in Durango has invested permanently restricted endowment funds and board designated endowment funds with the Durango Community Foundation, a 501(c)(3) community foundation.

The Foundation pools money of area not-for-profits and acts as a fund manager for the funds. The Women's Resource Center is the beneficiary, but variance power rests with the Community Foundation. The Organization's beneficial interests are carried at the market value of the underlying investments and are considered Level 1 measurements. Under the terms of the endowment, the contributions are held in perpetuity for the purpose of funding general operations. Earnings may be used for current operations.

WOMEN'S RESOURCE CENTER IN DURANGO
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2011

NOTE 7 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (concluded)

Changes in the assets held with the Durango Community Foundation for the year are as follows:

<u>Description</u>	<u>Amount</u>
Balance, beginning of year	\$ 25,000
Interest income	2,133
Fees	(354)
Unrealized losses	<u>(1,361)</u>
Total investment return	418
Balance, end of year	<u>\$ 25,418</u>

NOTE 8 - DEFERRED REVENUE

Deferred revenue is recognized as funds are spent. At year end, deferred revenue consisted of the following agreements:

<u>Description</u>	<u>Amount</u>
Families in crisis	<u>\$ 2,572</u>

NOTE 9 - BOARD DESIGNATED NET ASSETS

The Board has designated amounts as follows:

<u>Description</u>	<u>Amount</u>
Future capital projects	\$ 50,000
Future operating needs	41,000
Three months operating reserve	31,000
Microloan program	15,821
Board designated endowment	<u>12,890</u>
Total board designated net assets	<u>\$ 150,711</u>
	0

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the balance in the Womenade checking account and are restricted to projects associated with the Womenade group.

WOMEN'S RESOURCE CENTER IN DURANGO
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2011

NOTE 11 - PERMANENTLY RESTRICTED NET ASSETS

Donor contributions made to an endowment in 2007 are permanently restricted and are not available for operations. The balance in permanently restricted net assets is \$12,528 at year end.

Under the terms of the endowment, the contributions are held in perpetuity for the purpose of funding general operations. Earnings may be used for current operations. Other board designated funds have been added to the endowment funds, and they are held at the Durango Community Foundation. See Note 7, Beneficial Interest in Assets Held by Others.

NOTE 12 - IN-KIND DONATIONS

In-kind donations recognized in the financial statements consist of professional services donated by a professional bookkeeper and a professional payroll processing business in the amount of \$6,080.

Many other organizations and individuals give generously of their time to the Women's Resource Center in Durango. During the year, 126 volunteers donated over 2,918 hours valued at \$62,000 to the Organization. These services did not require professional level specialized skills; therefore, no amounts are included in these financial statements.

NOTE 13 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, expenditures were made satisfying donor restrictions as follows:

<u>Description</u>	<u>Amount</u>
Women's advocacy program	\$ 36,835
Families in crisis	<u>7,801</u>
Total	<u>\$ 44,636</u>

NOTE 14 - CONCENTRATION OF REVENUE

La Plata County and the Colorado Department of Human Services supply 58% of the revenue of Women's Resource Center in Durango. Of the balance in accounts receivable as of December 31, 2011, 89% was due from La Plata County and Colorado Department of Human Services.

SUPPLEMENTARY INFORMATION

WOMEN'S RESOURCE CENTER IN DURANGO

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011
WITH COMPARATIVE TOTALS FOR 2010

	2011			2010	
		Supporting Services			
		Management	Fund-	Total	Total
	Program	and	raising		
		General			
Salaries	\$ 131,490	\$ 32,367	\$ 38,435	\$ 202,292	\$ 201,203
Payroll taxes and benefits	26,666	6,564	7,795	41,025	43,063
Scholarship	25,000	-	-	25,000	-
Direct aide to women and girls	20,710	-	-	20,710	12,369
Emergency assistance	11,586	-	-	11,586	18,641
Office supplies	4,865	1,197	1,422	7,484	10,934
Accounting	3,720	6,200	-	9,920	454
Telephone	5,133	1,264	1,500	7,897	7,170
Professional services	2,923	4,872	-	7,795	9,904
Rent	7,494	-	-	7,494	7,824
Education and training	6,787	-	-	6,787	3,117
Advertising	1,187	292	347	1,826	3,165
Insurance	3,472	854	1,015	5,341	5,025
Meals and snacks	3,392	835	991	5,218	-
Utilities	2,101	518	614	3,233	3,693
Dues and subscriptions	1,583	389	463	2,435	2,242
Postage	1,396	343	408	2,147	1,834
Repairs and maintenance	-	1,607	-	1,607	2,224
Bad debts	1,517	-	-	1,517	8,068
Travel	1,280	48	34	1,362	5,252
Other	3,493	848	1,007	5,348	6,183
	265,795	58,198	54,031	378,024	352,365
Depreciation	7,042	1,878	469	9,389	9,389
Total	<u>\$ 272,837</u>	<u>\$ 60,076</u>	<u>\$ 54,500</u>	<u>\$ 387,413</u>	<u>\$ 361,754</u>

See independent auditors' report.