

WOMEN'S RESOURCE CENTER IN DURANGO

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

WOMEN'S RESOURCE CENTER IN DURANGO
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Women's Resource Center in Durango (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the Organization's 2011 financial statements which were audited by other auditors whose report has been furnished to us; in their report dated June 7, 2012 they expressed an unqualified opinion on those 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 of 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 auditor's 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 the Women's Resource Center in Durango as of December 31, 2012, 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.

Parker, Colorado
March 15, 2013



WOMEN'S RESOURCE CENTER IN DURANGO
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012

	2012	2011 (Memo Only)
ASSETS		
Cash and cash equivalents - unrestricted and temporarily restricted	\$ 169,711	\$ 127,419
Accounts receivable (Note 2)	490	12,483
Microloans receivable, net (Note 3)	5,929	13,430
Grants receivable (Note 4)	60,000	-
Prepaid expenses	1,496	2,289
Investments - unrestricted (Note 5)	54,578	41,478
Beneficial interest in assets held by others - unrestricted and permanently restricted (Note 6)	20,096	25,418
Total Current Assets	312,300	222,517
PROPERTY AND EQUIPMENT, at cost:		
Building	355,263	355,263
Equipment	16,450	16,450
	371,713	371,713
Less accumulated depreciation	69,676	60,287
Net Property and Equipment	302,037	311,426
OTHER ASSETS:		
Lease deposits	-	1,800
Total Other Assets	-	1,800
Total Assets	\$ 614,337	\$ 535,743
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 346	\$ 574
Accrued expenses	12,513	573
Deferred revenue	-	2,572
Total Current Liabilities	12,859	3,719
NET ASSETS:		
Unrestricted		
General	52,974	56,786
Board designated (Note 7)	144,114	150,711
Net investment in property and equipment	302,037	311,426
Total Unrestricted	499,125	518,923
Temporarily restricted (Note 8)	89,825	573
Permanently restricted (Note 9)	12,528	12,528
Total Net Assets	601,478	532,024
Total Liabilities and Net Assets	\$ 614,337	\$ 535,743

WOMEN'S RESOURCE CENTER IN DURANGO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012

	2012			2011	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
REVENUES:					
Grant revenue	\$ 118,803	\$ 109,000	\$ -	\$ 227,803	\$ 231,558
Fundraising	92,724	-	-	92,724	84,886
Contributions	87,119	-	-	87,119	45,748
Membership	26,493	-	-	26,493	32,711
Unrealized gain (loss) on investments	7,582	-	-	7,582	(4,615)
Interest income	6,827	-	-	6,827	8,137
Program service revenue	1,135	-	-	1,135	-
Miscellaneous income	170	-	-	170	151
In-kind contributions	8,800	-	-	8,800	6,080
Net assets released from restrictions	<u>19,748</u>	<u>(19,748)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Revenues	 <u>369,401</u>	 <u>89,252</u>	 <u>-</u>	 <u>458,653</u>	 <u>404,656</u>
EXPENSES:					
Program	272,764	-	-	272,764	282,697
Supporting Services:					
Management and general	33,589	-	-	33,589	78,806
Member services	<u>29,891</u>	<u>-</u>	<u>-</u>	<u>29,891</u>	<u>-</u>
Total Supporting Services	<u>63,480</u>	<u>-</u>	<u>-</u>	<u>63,480</u>	<u>78,806</u>
Fundraising	<u>52,955</u>	<u>-</u>	<u>-</u>	<u>52,955</u>	<u>59,017</u>
 Total Expenses	 <u>389,199</u>	 <u>-</u>	 <u>-</u>	 <u>389,199</u>	 <u>420,520</u>
 CHANGE IN NET ASSETS	 (19,798)	 89,252	 -	 69,454	 (15,864)
 NET ASSETS-BEGINNING OF YEAR	 <u>518,923</u>	 <u>573</u>	 <u>12,528</u>	 <u>532,024</u>	 <u>547,888</u>
 NET ASSETS-END OF YEAR	 <u>\$ 499,125</u>	 <u>\$ 89,825</u>	 <u>\$ 12,528</u>	 <u>\$ 601,478</u>	 <u>\$ 532,024</u>

WOMEN'S RESOURCE CENTER IN DURANGO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2012

	2012											2011		
	Program						Supporting Services					Fund-raising	Total	Total
	Advocacy	Education	Girls to Women	Resource & Referral	Womenade	Women's History Mth	Total	Management & General	Member Services	Total				
Personnel Costs:														
Salaries and wages	\$ 48,779	\$ 9,857	\$ 13,273	\$ 32,719	\$ -	\$ 6,095	\$ 110,723	\$ 10,261	\$ 19,244	\$ 29,505	\$ 23,161	\$ 163,389	\$ 202,292	
Payroll taxes and benefits	9,102	2,213	2,980	7,347	-	1,369	23,011	2,304	4,321	6,625	5,201	34,837	45,579	
Total Personnel Costs	57,881	12,070	16,253	40,066	-	7,464	133,734	12,565	23,565	36,130	28,362	198,226	247,871	
Direct program services	6,403	65,465	-	131	13,372	-	85,371	-	-	-	-	85,371	57,296	
Professional fees	2,733	400	-	2,400	-	3,250	8,783	14,025	-	14,025	-	22,808	24,290	
Food	151	-	1,210	53	-	2,743	4,157	-	-	-	9,659	13,816	14,244	
Occupancy	4,200	-	549	1,598	-	80	6,427	-	-	-	3,934	10,361	13,020	
Depreciation	536	761	1,025	2,527	-	471	5,320	794	1,486	2,280	1,789	9,389	9,389	
Printing and reproduction	-	-	277	1,295	-	247	1,819	-	2,948	2,948	2,740	7,507	5,488	
Insurance	-	-	670	5,406	-	-	6,076	-	-	-	1,119	7,195	5,960	
Miscellaneous	-	-	-	-	-	-	-	4,406	909	5,315	-	5,315	5,486	
Bad debt	-	-	-	5,090	-	-	5,090	-	-	-	-	5,090	1,517	
Supplies	100	128	1,467	1,089	-	10	2,794	257	-	257	1,226	4,277	11,532	
Telephone	-	-	-	4,181	-	-	4,181	-	-	-	-	4,181	7,897	
Utilities	-	-	-	2,661	-	-	2,661	-	-	-	-	2,661	3,233	
Postage and delivery	-	-	-	1,111	-	-	1,111	-	983	983	340	2,434	2,174	
Advertising	-	-	31	767	-	8	806	-	-	-	1,227	2,033	5,419	
Website	-	-	-	2,000	-	-	2,000	-	-	-	-	2,000	-	
Repairs and maintenance	-	-	-	1,763	-	-	1,763	-	-	-	-	1,763	1,607	
Dues and subscriptions	-	-	-	-	-	-	-	1,542	-	1,542	-	1,542	2,435	
Travel	-	-	34	-	-	637	671	-	-	-	825	1,496	1,362	
Licenses and permits	-	-	-	-	-	-	-	-	-	-	1,432	1,432	300	
Taxes	-	-	-	-	-	-	-	-	-	-	302	302	-	
Total Expenses	\$ 72,004	\$ 78,824	\$ 21,516	\$ 72,138	\$ 13,372	\$ 14,910	\$ 272,764	\$ 33,589	\$ 29,891	\$ 63,480	\$ 52,955	\$ 389,199	\$ 420,520	

WOMEN'S RESOURCE CENTER IN DURANGO

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012**

	<u>2012</u>	<u>2011</u> <u>(Memo Only)</u>
CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:		
Increase (Decrease) in net assets	\$ 69,454	\$ (15,864)
Adjustments to reconcile increase (decrease) in net assets to net cash from (used for) operating activities:		
Depreciation	9,389	9,389
Allowance for doubtful accounts	1,700	3,000
Bad debts	3,390	1,517
Unrealized gain on investments	(6,000)	(5,503)
Unrealized gain on assets held by others	(1,582)	-
(Increase) Decrease in assets held by others	(196)	418
Changes in assets and liabilities:		
Decrease (Increase) in accounts receivable	11,993	(1,174)
Decrease (Increase) in microloans receivable	2,411	(7,016)
Increase in grants receivable	(60,000)	-
Decrease (Increase) in prepaid expenses	793	(188)
Decrease in other assets	1,800	-
Decrease in accounts payable	(228)	(377)
Increase (Decrease) in accrued expenses	11,940	(229)
Decrease in deferred revenue	(2,572)	(20,514)
Total Adjustments	<u>(27,162)</u>	<u>(20,677)</u>
Net Cash From (Used For) Operating Activities	<u>42,292</u>	<u>(36,541)</u>
NET INCREASE (DECREASE) IN CASH	42,292	(36,541)
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	<u>127,419</u>	<u>163,960</u>
CASH AND CASH EQUIVALENTS-END OF YEAR	<u>\$ 169,711</u>	<u>\$ 127,419</u>

WOMEN'S RESOURCE CENTER IN DURANGO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS**

The Women's Resource Center in Durango (the Organization), a Colorado Not-for-Profit Organization, was incorporated in 1987. The Organization's primary purpose is to advocate for the personal empowerment and economic self-sufficiency of women. The Organization is controlled by a Board of Directors of up to fifteen individuals who are elected by the Board. The initial term of each director is three years and can be increased in one-year increments if approved by a majority vote of the Board. Board members are not compensated for their time and effort.

The Women's Resource Center in Durango receives support from grants, contributions, memberships and program service fees. Grant revenue is recognized when received. In addition, grant revenue is accrued when unconditional promises are received. Contributions are received from the general public and recognized as income when received. Membership revenue and program service fees are recognized when earned.

Basis of Accounting

The financial statements are presented in accordance with the requirements established under the Not-for-Profit Entities - Presentation of Financial Statements Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under this topic, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. The financial statements of the Organization have been prepared utilizing the accrual basis of accounting and accordingly reflect significant receivables, payables and other liabilities.

Contributions

The Organization recognizes contributions received in accordance with the requirements established under the Not-for-Profit - Revenue Recognition Topic of the FASB ASC. Under this topic, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

Donated Materials and Services

Donated materials are recorded as contributions at their estimated fair values at the date of donation. Contributions of services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Functional Allocation of Expenses

The operating expenses of the Organization are allocated to three different functional categories based on management's estimate of the time and expense spent for each of the functions. These functions are as follows:

Program - The costs associated with providing economic self-sufficiency for women and advocating for their personal empowerment through the following programs: Advocacy, Education, Girls to Women, Resource and Referral, Womenade and Women's History Month.

Fundraising - The costs associated with fundraising efforts to benefit the Organization.

Supporting Services - Management and general costs associated with the operating of the Organization's office, including gathering, processing and maintaining financial and legal information. Member services include costs related to providing services to the members of the Organization.

WOMEN'S RESOURCE CENTER IN DURANGO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS**
(Continued)

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all cash on hand, cash on deposit subject to immediate withdrawal and certificates of deposit with an original maturity of three months or less to be cash and cash equivalents.

Investments

The Organization follows the Not-For-Profit Entities subtopic of the FASB ASC with respect to investments. Under this subtopic, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Property and Equipment

The Organization capitalizes equipment, software and leasehold improvements, at cost if purchased or fair value if contributed, for amounts in excess of \$1,000. Such items are depreciated using the straight line method over their estimated useful lives of five to thirty-nine years.

Income Taxes

The Organization is exempt from income tax as provided under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization adopted accounting requirements that prescribe when to recognize and how to measure the financial statement effects of income tax positions taken or expected to be taken on its income tax returns, including the position that the Organization continues to qualify to be treated as a tax-exempt organization for both federal and state income tax purposes. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained.

Based on that evaluation, if it were more than 50% probable that a material amount of income tax would be imposed at the entity level upon examination by the relevant taxing authorities, a liability would be recognized in the accompanying balance sheet along with any interest and penalties that would result from that assessment. If the Organization has unrelated business income, the federal Exempt Organization Business Income Tax Returns (Form 990T) would be subject to examination by the Internal Revenue Service for three years after filing. Should any penalties and interest be incurred, they would be recognized as management and general expenses.

Based on the results of management's evaluation, the requirements did not have a material effect on the Organization's financial statements. Consequently, no liability is recognized in the accompanying balance sheet for uncertain income tax positions.

The Organization's federal Return of Organization Exempt From Income Tax (Form 990) for 2010, 2011 and 2012 are subject to examination by the Internal Revenue Service generally for three years after they are filed.

Fair Value of Financial Instruments

The Organization's financial instruments are cash, cash equivalents, investments, accounts receivable, microloans receivable, accounts payables and accrued expenses. The recorded value of these financial instruments approximate fair values based on their short-term nature.

WOMEN'S RESOURCE CENTER IN DURANGO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS
(Continued)

Fair Value Measurements

The Fair Value Measurements and Disclosures topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs would be used only when Level 1 or Level 2 inputs were not available.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2011 Memo Totals and Reclassifications

The 2011 memo total columns are presented for comparison purposes only. This information is not a complete presentation in accordance with FASB ASC. Furthermore, certain reclassifications from the originally reported 2011 amounts have been made for comparability purposes with the 2012 financial statements.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 15, 2013, the date the financial statements were available to be issued. No events were identified that required additional disclosure.

NOTE 2 ACCOUNTS RECEIVABLE

Accounts receivable are for services performed but payment had not been received as of the end of the year. All are presumed to be collectible; therefore, an allowance for doubtful accounts has not been established.

NOTE 3 MICROLOANS RECEIVABLE

Microloans receivable consists of loans made to women-owned businesses. The loans carry an annual interest rate of 5% - 7%; all microloans are due in 2013.

	2012	2011
Microloans receivable	\$ 10,629	\$ 16,430
Less: Allowance for doubtful accounts	4,700	3,000
Net Microloans Receivable	<u>\$ 5,929</u>	<u>\$ 13,430</u>

During 2012, the Organization wrote off \$3,390 of uncollectible microloans and recognized \$528 in interest income.

WOMEN'S RESOURCE CENTER IN DURANGO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

NOTE 4 GRANTS RECEIVABLE

Grants receivable represents a grant awarded to the Organization in 2012. Per the award letter, the Organization will receive three equal installments of \$30,000 in 2012, 2013 and 2014. The grantor has restricted the use of the grant funds. As a result, the associated grant revenue has been recognized as temporarily restricted in 2012 and will be released from restriction upon satisfaction of the grantor's restrictions. The Organization received the first installment of \$30,000 in 2012.

Grants receivable as of December 31, 2012 are as follows:

Receivable in less than one year	\$ 30,000
Receivable in more than one year	<u>30,000</u>
Total Grants Receivable	<u><u>\$ 60,000</u></u>

The grant receivable has been considered by management to be fully collectible and accordingly no allowance for uncollectible grants has been recorded.

NOTE 5 INVESTMENTS

Investments are carried at market value. Market values are provided by the brokerage firm and are based on quoted market prices (a Level 1 measurement) as of the balance sheet date. Market risk exists and potential gains and losses are dependent on future changes in market prices of various investments held.

Fair values pertaining to the investments as of December 31, 2012 are as follows:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Appreciation (Depreciation)</u>
Fixed income	\$ 52,063	\$ 52,063	\$ -
Stock	<u>2,591</u>	<u>2,515</u>	<u>(76)</u>
Total Investments	<u><u>\$ 54,654</u></u>	<u><u>\$ 54,578</u></u>	<u><u>\$ (76)</u></u>

NOTE 6 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization has invested permanently restricted endowment funds and board designated endowment funds with the Community Foundation Serving SW Colorado, a 501(c)(3) organization.

The Community Foundation Serving SW Colorado pools funds received from area not-for-profits and acts as a fund manager for the funds. The Women's Resource Center in Durango is the beneficiary, but management of the fund resides with the Community Foundation Serving SW Colorado. 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

YEAR ENDED DECEMBER 31, 2012

NOTE 6 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (Continued)

Changes in the assets held by the Community Foundation Serving SW Colorado for the year ended December 31, 2012 are as follows:

Beginning balance	\$ 25,418
Interest and dividend income	512
Administrative fees	(316)
Unrealized gains	1,582
Transfer of funds	<u>(7,100)</u>
Total beneficial interest in assets held by others	<u>\$ 20,096</u>

NOTE 7 BOARD DESIGNATED NET ASSETS

The Board of Directors have designated the following unrestricted net assets:

Future capital projects	\$ 50,000
Future operating needs	41,000
Three months operating reserves	40,388
Endowment	7,568
Educational Opportunity Fund	<u>5,158</u>
Total board designated net assets	<u>\$ 144,114</u>

NOTE 8 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Womenade	\$ 11,730
Educational Opportunity Fund	74,495
Colorado Bar Association - Pro Bono Services	<u>3,600</u>
Total temporarily restricted net assets	<u>\$ 89,825</u>

The net assets will be released in the future when expenses satisfying the purpose restrictions specified by the donors.

NOTE 9 PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets in the amount of \$12,528 consist of donor contributions made to an endowment in 2007 that are not available for operations.

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. The funds are maintained by the Community Foundation Serving SW Colorado (see NOTE 6).

NOTE 10 CONCENTRATION OF CREDIT RISK

The Organization's financial instruments that are exposed to concentrations of credit risk consist of cash, investments, beneficial interests in assets held by others, accounts receivable and microloans receivable. The Organization places its cash with high credit quality institutions. The Organization routinely assesses the financial strength of its customers and donors and, as a consequence, believes that its accounts receivable credit risk exposure is limited. At times, cash may be held in accounts in excess of the FDIC insurance limit of \$250,000. At December 31, 2012, the Organization had did not have any accounts in excess of the FDIC limit.