

WOMEN'S RESOURCE AGENCY, INC.
(A Nonprofit Corporation)

**REPORT ON AUDITS
OF FINANCIAL STATEMENTS**

YEARS ENDED JUNE 30, 2010 AND 2009

INDEPENDENT AUDITOR'S REPORT

September 15, 2010

Board of Directors
Women's Resource Agency, Inc.
Colorado Springs, Colorado

We have audited the accompanying Statement of Financial Position of the Women's Resource Agency, Inc. (a Nonprofit Corporation) as of June 30, 2010 and 2009 and the related Statements of Activities, Functional Expenses and Cash Flows for the years then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 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 audits provide 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 Agency, Inc. (a Nonprofit Corporation) as of June 30, 2010 and 2009 and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Gustafson, Crandall & Christensen, Inc.

Certified Public Accountants

WOMEN'S RESOURCE AGENCY, INC.
(A Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 33,719	\$ 38,742
Accounts receivable	149,058	15,496
Deposits	150	150
Prepaid expenses	<u>3,309</u>	<u>3,375</u>
Total current assets	186,236	57,763
Furniture and equipment	<u>1,678</u>	<u>5,919</u>
	<u>\$ 187,914</u>	<u>\$ 63,682</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 2,357	\$ 1,821
Accrued expenses	6,773	7,112
Deferred revenue	<u>86,606</u>	<u>5,304</u>
Total current liabilities	95,736	14,237
Commitments		
Net assets:		
Unrestricted	92,178	36,369
Temporarily restricted	<u>-</u>	<u>13,076</u>
	<u>92,178</u>	<u>49,445</u>
	<u>\$ 187,914</u>	<u>\$ 63,682</u>

See notes to financial statements.

WOMEN'S RESOURCE AGENCY, INC.
(A Nonprofit Corporation)

STATEMENTS OF ACTIVITIES

	<u>YEARS ENDED JUNE 30,</u>	
	<u>2010</u>	<u>2009</u>
Change in unrestricted net assets:		
Revenues and support:		
United Way grant	\$ 27,066	\$ 23,863
Other grants	223,637	164,872
Contributions	25,033	25,031
In-kind contributions	67,494	77,446
Special events, net	40,759	26,120
Membership, workshops and classes	5,766	13,192
Other revenues and support	<u>[1,189]</u>	<u>94</u>
Total revenues and support	388,566	330,618
Net assets released from restrictions - satisfaction of program restrictions	<u>13,076</u>	<u>-</u>
Total unrestricted revenues and support	401,642	330,618
Expenses:		
Program services	282,113	238,640
Management and general	43,923	37,070
Fund raising	<u>19,797</u>	<u>21,215</u>
Total expenses	<u>345,833</u>	<u>296,925</u>
Increase [decrease] in unrestricted net assets	55,809	33,693
Changes in Temporarily Restricted Net Assets:		
Revenues and support:		
Other grants	-	13,076
Net assets released from restrictions - satisfaction of program restrictions	<u>[13,076]</u>	<u>-</u>
	<u>[13,076]</u>	<u>13,076</u>
Increase in net assets	42,733	46,769
NET ASSETS - Beginning of year	<u>49,445</u>	<u>2,676</u>
NET ASSETS - End of year	<u><u>\$ 92,178</u></u>	<u><u>\$ 49,445</u></u>

See notes to financial statements.

WOMEN'S RESOURCE AGENCY, INC.
(A Nonprofit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2010

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND RAISING</u>	<u>TOTAL EXPENSES</u>
Salaries	\$ 170,872	\$ 18,033	\$ 9,809	\$ 198,714
In-kind expenses	56,724	9,720	-	66,444
Payroll taxes	13,640	1,052	572	15,264
Accounting and audit	4,945	5,128	-	10,073
Supplies	4,127	3,307	628	8,062
Telephone	6,555	799	640	7,994
Staff training and travel	7,069	635	216	7,920
Contract services	1,835	403	5,200	7,438
Occupancy	5,412	660	528	6,600
Equipment maintenance	2,830	621	-	3,451
Employee benefits	2,166	261	142	2,569
Depreciation	2,028	446	-	2,474
Marketing & promotion	64	855	1,077	1,996
Interest & bank fees	1,413	310	-	1,723
Insurance	1,381	303	-	1,684
Postage	221	765	440	1,426
Due & membership	764	625	-	1,389
Printing	67	-	545	612
	<u>\$ 282,113</u>	<u>\$ 43,923</u>	<u>\$ 19,797</u>	<u>\$ 345,833</u>
Percentage	<u>81.6%</u>	<u>12.7%</u>	<u>5.7%</u>	<u>100.0%</u>

See notes to financial statements.

WOMEN'S RESOURCE AGENCY, INC.
(A Nonprofit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2009

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND RAISING</u>	<u>TOTAL EXPENSES</u>
Salaries	\$ 126,895	\$ 15,080	\$ 12,248	\$ 154,223
In-kind expenses	63,506	13,940	-	77,446
Payroll taxes	9,463	1,126	913	11,502
Accounting and audit	902	198	-	1,100
Supplies	4,633	340	-	4,973
Telephone	3,781	461	369	4,611
Staff training and travel	3,802	257	-	4,059
Contract services	8,118	1,782	4,808	14,708
Occupancy	5,412	660	528	6,600
Equipment maintenance	1,608	352	-	1,960
Employee benefits	2,346	279	226	2,851
Depreciation	2,905	638	-	3,543
Marketing & promotion	607	566	1,768	2,941
Interest & bank fees	1,514	333	-	1,847
Insurance	1,211	265	-	1,476
Postage	710	280	255	1,245
Due & membership	690	290	-	980
Printing	<u>537</u>	<u>223</u>	<u>100</u>	<u>860</u>
	<u>\$ 238,640</u>	<u>\$ 37,070</u>	<u>\$ 21,215</u>	<u>\$ 296,925</u>
Percentage	<u>80.4%</u>	<u>12.5%</u>	<u>7.1%</u>	<u>100.0%</u>

See notes to financial statements.

WOMEN'S RESOURCE AGENCY, INC.
(A Nonprofit Corporation)

STATEMENTS OF CASH FLOWS

	<u>YEARS ENDED JUNE 30,</u>	
	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 288,159	\$ 274,586
Cash paid to suppliers and employees	[291,759]	[232,102]
Interest received	300	-
Interest paid	<u>[1,723]</u>	<u>[1,847]</u>
Net cash [used by] provided by operating activities	[5,023]	40,637
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowing on note payable	-	2,500
Payments on note payable	<u>-</u>	<u>[10,800]</u>
Net cash [used by] financing activities	<u>-</u>	<u>[8,300]</u>
[DECREASE] INCREASE IN CASH AND CASH EQUIVALENTS	[5,023]	32,337
CASH AND CASH EQUIVALENTS - Beginning of year	<u>38,742</u>	<u>6,405</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 33,719</u>	<u>\$ 38,742</u>
RECONCILIATION OF INCREASE IN NET ASSETS TO CASH [USED BY] PROVIDED BY OPERATING ACTIVITIES:		
Increase in net assets	\$ 42,733	\$ 46,769
Adjustments to reconcile increase [decrease] in net assets to cash provided by operating activities:		
Increase in deferred revenue	81,302	4,104
Depreciation	2,474	3,543
Loss on disposal of furniture and equipment	1,767	-
[Decrease] in accounts payable	536	[3,718]
Decrease in prepaid expense	66	497
[Decrease] increase in accrued expense	[339]	3,088
[Increase] decrease in accounts receivable	<u>[133,562]</u>	<u>[13,646]</u>
Total adjustments	<u>[47,756]</u>	<u>[6,132]</u>
NET CASH [USED BY] PROVIDED OPERATING ACTIVITIES	<u>\$ [5,023]</u>	<u>\$ 40,637</u>

See notes to financial statements.

WOMEN'S RESOURCE AGENCY, INC.

(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

A. Summary of Significant Accounting and Reporting Policies:

(1) General:

The Women's Resource Agency, Inc. ("the Agency") provides direct services in the areas of personal and career development for women and life-skills training for at-risk girls. Services are provided to community members regardless of income. Some programs require program fees.

(2) Basis of Accounting:

These financial statements are prepared using the accrual method of accounting in accordance with generally accepted accounting principals. Revenues and support are recognized when earned and expenses are recorded when incurred.

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements for Not-for-Profit Organizations." Under SFAS No. 117, the Agency 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.

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Agency reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or specific restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The Agency reports gifts of goods and equipment as unrestricted support unless 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 explicit donor stipulations about how long those long-lived assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

(3) Cash and cash equivalents:

For purpose of the Statements of Cash Flows, the Agency considers all unrestricted highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

WOMEN'S RESOURCE AGENCY, INC.

(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

A. Summary of Significant Accounting and Reporting Policies (continued):

(4) Furniture and equipment:

Furniture and equipment are recorded at cost or at estimated fair market value at the date of donation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Some of the furniture and equipment utilized by the Agency is owned by funding agencies from which the Agency obtains support. Small tools utilized by the Agency are expensed in the current year due to their short estimated useful life. The Agency capitalizes all expenditures for equipment in excess of \$300.

(5) Income Taxes:

The Agency is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code. In addition, the Agency qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

(6) Functional Expenses:

The Agency allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program and supporting service are allocated directly according to the natural expenditure classification. Various statistical bases allocate other expenses that are common to several functions.

(7) Donated Services:

The value of donated services that met the requirements for recognition in the financial statements during the years ended June 30, 2010 and 2009 was \$67,494 and \$77,446, respectively. The Agency also received 3,989 and 7,076 hours of donated services from a variety of unpaid volunteers assisting the Agency during the years ended June 30, 2010 and 2009, respectively. The total volunteer hours, with a value of \$59,840 in 2010 and \$106,140 in 2009, did not meet the requirements for recognition in the financial statements.

(8) Use of Estimates:

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

(9) Credit Risk:

Financial instruments that potentially subject the Agency to concentration of credit risk consist principally of temporary cash accounts and receivables. The Agency places its cash accounts with highly credit quality financial institutions. FDIC insures the cash accounts up to \$250,000 at June 30, 2010 and 2009. Credit risk with respect to receivables is primarily with the various local governmental, agencies and individuals in the Colorado Springs area. As of June 30, 2010 and 2009 the Agency had no significant concentration of credit risk.

WOMEN'S RESOURCE AGENCY, INC.

(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2010 AND 2009

A. Summary of Significant Accounting and Reporting Policies (continued):

(10) Subsequent Events:

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 15, 2010, the date the financial statements were available to be issued.

B. Accounts Receivable:

No allowance for doubtful accounts is considered necessary at June 30, 2010 and 2009.

C. Note Payable:

The note payable is a draw on an \$11,000 line of credit with interest payable monthly at a variable rate (7.0% at June 30, 2010). No funds were drawn on the account in 2010. The line is unsecured and matures in May 2011.

D. Deferred Revenue:

The deferred revenue includes \$66,667 for unrecognized revenue related to a performance based contract and \$19,900 from United Way for pledged related to the year ended June 30, 2011. These amounts are also included in the accounts receivable.

E. Commitments:

The Agency leases its facilities, office space and storage on a long-term lease commitment. The lease expires in May 2011 and requires monthly lease payments of \$550. The total occupancy expense reflected in the Statement of activity is \$6,600 for the years ended June 30, 2010 and 2009, respectively.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amount already collected, may constitute a liability to the agency. The amount, if any, of expenditures which may be disallowed by the grantor can not be determined at this time although the Agency expects such amounts, if any, to be immaterial.

F. Funding:

The Agency receives funding primarily from governmental agencies, a variety of private foundations, United Way, corporate support, and individuals. Workshop and class fees are collected on a basis of ability to pay.

