

***WARREN COUNTY COUNCIL
AGAINST DOMESTIC VIOLENCE***

***FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2016 AND 2015***

WARREN COUNTY COUNCIL AGAINST DOMESTIC VIOLENCE

WARRENTON, MISSOURI

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS:	
Statements Of Financial Position	3
Statements Of Activities	4
Statements Of Functional Expenses	6
Statements Of Cash Flows	8
Notes To Financial Statements	10

INDEPENDENT AUDITORS' REPORT



Board of Directors of
WARREN COUNTY COUNCIL AGAINST DOMESTIC VIOLENCE

We have audited the accompanying financial statements of Warren County Council Against Domestic Violence, (a not-for-profit 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 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Warren County Council Against Domestic Violence 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.

Botz Deal & Company

December 16, 2016

WARREN COUNTY COUNCIL AGAINST DOMESTIC VIOLENCE

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash - unrestricted	\$ 103,827	\$ 86,839
Cash - restricted	14,257	13,454
Contracts and accounts receivable	28,346	9,679
Promises to give	61,096	64,882
Prepaid expenses	8,206	6,751
Employee advances	-	602
Inventory	-	1,355
TOTAL CURRENT ASSETS	<u>215,732</u>	<u>183,562</u>
FIXED ASSETS		
Land	15,000	15,000
Buildings and improvements	327,118	327,118
Office equipment	14,103	14,103
Less: accumulated depreciation	<u>132,972</u>	<u>122,672</u>
FIXED ASSETS, NET	<u>223,249</u>	<u>233,549</u>
OTHER ASSETS		
Rent deposit	<u>500</u>	<u>500</u>
TOTAL ASSETS	<u>\$ 439,481</u>	<u>\$ 417,611</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Mortgage and lease payable-amounts due in one year	\$ 6,447	\$ 6,883
Accounts payable	4,101	6,788
Accrued salaries and wages	14,223	13,989
Accrued vacations	6,606	5,671
Deferred revenue	<u>4,373</u>	<u>90</u>
TOTAL CURRENT LIABILITIES	<u>35,750</u>	<u>33,421</u>
LONG-TERM LIABILITIES		
Mortgage payable - long-term	68,877	73,700
Lease payable - long-term	-	1,624
TOTAL LONG-TERM LIABILITIES	<u>68,877</u>	<u>75,324</u>
NET ASSETS		
Unrestricted	239,561	225,088
Board designated	19,337	19,337
Temporarily restricted	75,956	64,441
TOTAL NET ASSETS	<u>334,854</u>	<u>308,866</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 439,481</u>	<u>\$ 417,611</u>

The accompanying notes are an integral part of these financial statements.

WARREN COUNTY COUNCIL AGAINST DOMESTIC VIOLENCE

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contract and grant revenue	\$ 295,331	\$ 16,499	\$ 311,830
United Ways	58,695	56,598	115,293
Contributions	34,669	2,000	36,669
Special events	47,084	-	47,084
In-kind contributions	38,862	-	38,862
In-kind contributions for resale store	16,309	-	16,309
Resale store income	16,369	-	16,369
Interest earned	47	-	47
Miscellaneous income	16	-	16
Net assets released from restrictions:			
Satisfaction of time and purpose restrictions	63,582	(63,582)	-
TOTAL REVENUE AND SUPPORT	<u>570,964</u>	<u>11,515</u>	<u>582,479</u>
 EXPENSES			
Program services	433,211	-	433,211
Administrative	24,670	-	24,670
Fundraising			
Resale store	37,845	-	37,845
Other	60,765	-	60,765
TOTAL EXPENSES	<u>556,491</u>	<u>-</u>	<u>556,491</u>
 CHANGE IN NET ASSETS	14,473	11,515	25,988
 NET ASSETS - BEGINNING OF YEAR	<u>244,425</u>	<u>64,441</u>	<u>308,866</u>
 NET ASSETS - END OF YEAR	<u>\$ 258,898</u>	<u>\$ 75,956</u>	<u>\$ 334,854</u>

The accompanying notes are an integral part of these financial statements.

WARREN COUNTY COUNCIL AGAINST DOMESTIC VIOLENCE

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Contract and grant income	\$ 247,324	\$ 1,250	\$ 248,574
United Ways	63,640	59,531	123,171
Contributions	49,681	3,660	53,341
Special events	38,386	-	38,386
In-kind contributions	49,880	-	49,880
In-kind contributions for resale store	1,410	-	1,410
Resale store income	3,035	-	3,035
Interest earned	23	-	23
Miscellaneous income	44	-	44
Net assets released from restrictions:			
Satisfaction of time restriction	74,570	(74,570)	-
TOTAL REVENUE AND SUPPORT	<u>527,993</u>	<u>(10,129)</u>	<u>517,864</u>
 EXPENSES			
Program services	442,288	-	442,288
Administrative	24,039	-	24,039
Fundraising			
Resale store	11,851	-	11,851
Other	61,145	-	61,145
TOTAL EXPENSES	<u>539,323</u>	<u>-</u>	<u>539,323</u>
 CHANGE IN NET ASSETS	(11,330)	(10,129)	(21,459)
 NET ASSETS - BEGINNING OF YEAR,	<u>255,755</u>	<u>74,570</u>	<u>330,325</u>
 NET ASSETS - END OF YEAR	<u>\$ 244,425</u>	<u>\$ 64,441</u>	<u>\$ 308,866</u>

The accompanying notes are an integral part of these financial statements.

WARREN COUNTY COUNCIL AGAINST DOMESTIC VIOLENCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	Program	Administrative	Fundraising		Total
			Resale Store	Other	
Salaries and wages	\$ 263,590	\$ 15,984	\$ 7,155	\$ 33,566	\$ 320,295
Payroll taxes	23,465	1,397	601	3,073	28,536
Employee benefits	10,925	632	-	1,390	12,947
Accounting and auditing	12,495	744	-	1,636	14,875
Advertising	1,172	-	390	-	1,562
Bank and credit card charges	222	13	347	29	611
Client services	55,500	-	-	-	55,500
Cost of sales - resale store	-	-	17,664	-	17,664
Depreciation	9,445	267	-	588	10,300
Dues and subscriptions	1,604	-	-	-	1,604
Information technology	1,693	101	-	221	2,015
Insurance	6,578	1,892	-	861	9,331
Interest	3,289	196	-	431	3,916
Miscellaneous	216	1,278	93	11	1,598
Office supplies	2,571	153	275	337	3,336
Payroll processing	2,124	126	-	278	2,528
Postage	1,215	72	-	160	1,447
Printing and copying	3,071	183	-	402	3,656
Professional fees	-	-	-	3,103	3,103
Rent	1,200	-	6,000	-	7,200
Repairs and maintenance	8,486	526	375	1,070	10,457
Special events	-	-	-	11,175	11,175
Supplies	3,272	-	-	-	3,272
Staff development	544	-	-	-	544
Telephone	3,444	205	1,473	451	5,573
Travel	413	-	83	-	496
Utilities	15,142	901	3,389	1,983	21,415
Vehicle costs	1,535	-	-	-	1,535
TOTAL EXPENSES	\$ 433,211	\$ 24,670	\$ 37,845	\$ 60,765	\$ 556,491

The accompanying notes are an integral part of these financial statements.

WARREN COUNTY COUNCIL AGAINST DOMESTIC VIOLENCE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2015

	Program	Administrative	Fundraising		Total
			Resale Store	Other	
Salaries and wages	\$250,516	\$15,569	\$511	\$32,479	\$ 299,075
Payroll taxes	24,242	1,502	39	3,150	28,933
Employee benefits	10,825	561	-	952	12,338
Accounting and auditing	13,564	841	50	1,762	16,217
Advertising	523	-	78	-	601
Bank and credit card charges	202	13	-	26	241
Client services	67,384	-	-	-	67,384
Cost of sales - resale store	-	-	8,115	-	8,115
Depreciation	8,726	541	-	1,134	10,401
Dues and subscriptions	641	45	-	-	686
Information technology	4,460	146	-	308	4,914
Insurance	6,182	1,883	90	803	8,958
Interest	3,551	220	-	461	4,232
Meetings	754	3	-	5	762
Miscellaneous	520	196	50	149	915
Office supplies	2,903	180	24	377	3,484
Payroll processing	2,029	126	-	263	2,418
Postage	943	58	-	123	1,124
Printing and copying	3,223	200	-	2,113	5,536
Professional fees	-	-	-	4,851	4,851
Rent	1,200	-	1,400	-	2,600
Repairs and maintenance	12,189	358	289	748	13,584
Special events	-	-	-	8,965	8,965
Supplies	2,733	-	-	-	2,733
Staff development	1,422	415	-	-	1,837
Telephone	4,278	265	99	556	5,198
Travel	680	55	74	111	920
Utilities	16,306	862	1,032	1,809	20,009
Vehicle costs	2,292	-	-	-	2,292
TOTAL EXPENSES	\$ 442,288	\$ 24,039	\$ 11,851	\$ 61,145	\$ 539,323

The accompanying notes are an integral part of these financial statements.

WARREN COUNTY COUNCIL AGAINST DOMESTIC VIOLENCE

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from funding agencies and donors	\$ 453,284	\$ 446,109
Cash received from special events	46,994	38,476
Cash received from resale store	16,369	3,035
Cash paid to suppliers and employees	(488,120)	(471,634)
Interest received	47	23
Interest paid	(3,916)	(4,232)
Other cash receipts	16	44
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>24,674</u>	<u>11,821</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayments of long-term liabilities	<u>(6,883)</u>	<u>(6,505)</u>
NET INCREASE IN CASH	17,791	5,316
CASH - BEGINNING OF YEAR	<u>100,293</u>	<u>94,977</u>
CASH - END OF YEAR	<u>\$ 118,084</u>	<u>\$ 100,293</u>
Cash - Restricted	\$ 14,257	\$ 13,454
Cash - Unrestricted	103,827	86,839
TOTAL CASH	<u>\$ 118,084</u>	<u>\$ 100,293</u>

The accompanying notes are an integral part of these financial statements.

**RECONCILIATION OF CHANGE IN NET ASSETS
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

	2016	2015
CHANGE IN NET ASSETS	\$ 25,988	\$ (21,459)
 ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	10,300	10,401
(Increase) decrease in assets:		
Grants and accounts receivable	(18,667)	1,667
Promises to give	3,786	19,356
Prepaid expenses	(1,455)	(2,316)
Inventory	1,355	5,350
Rent deposit	-	(500)
Employee advances	602	(602)
Increase (decrease) in liabilities:		
Accounts payable	(2,687)	(692)
Accrued salaries and wages	234	1,011
Accrued vacations	935	(485)
Deferred revenue	4,373	-
Deferred revenue - events	(90)	90
TOTAL ADJUSTMENTS	(1,314)	33,280
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 \$ 24,674	 \$ 11,821

The accompanying notes are an integral part of these financial statements.

WARREN COUNTY COUNCIL AGAINST DOMESTIC VIOLENCE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

1. DESCRIPTION OF OPERATIONS

Warren County Council Against Domestic Violence (the Organization) was established in 1994 to provide shelter and services for victims of domestic violence and sexual assault and their children.

The Organization provides court advocacy, case management, support groups, licensed counselor, budget and financial support, and child support. The Organization's public support is currently funded by community and governmental organizations and individual and business donations.

The Organization operated a thrift store known as Curious Collections during the fiscal year. Clothing and household items donated by members of the community were either sold at retail thrift store prices or utilized by Turning Point residents. Revenue earned through this venture from its retail sales was used to support the Organization's programs and provide employment training. The store was closed June 30, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - Financial statement presentation follows the recommendations of the FASB Accounting Standard Codification Topic 958, Not-For-Profit Entities. Under Topic 958, 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. As of June 30, 2016 and 2015, the Organization did not have any permanently restricted net assets.

Contributions - Contributions that are temporarily restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a 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.

Donated Materials - Donated materials are recorded as support at their estimated values at the date of receipt.

Grants, Contracts, and Accounts Receivable - Receivables consist of grant, contract, or other revenue earned and not yet received. An allowance for doubtful accounts is not deemed necessary by management as, historically, few balances have been written off.

Promises to Give - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fixed Assets - Acquisitions of fixed assets over \$5,000 with useful lives greater than one year are capitalized. Fixed assets are recorded at cost or fair market value at time of donation and depreciated over estimated useful lives as follows:

<u>Major Group</u>	<u>Method</u>	<u>Life</u>
Furniture, fixtures, and equipment	Straight-line	5 - 7 years
Building	Straight-line	40 years

Depreciation expense was \$10,300 and \$10,401, respectively, for the years ended June 30, 2016 and 2015.

Concentration of Cash - The Organization maintains its cash and cash equivalents at two commercial banks. All of the Organization's deposits were insured by the Federal Deposit Insurance Corporation (FDIC) as of June 30, 2016.

Restricted Cash - The Organization deposits a minimum of \$69 per month into an escrow fund, per their building loan agreement, until the balance reaches at least \$13,000. These funds may be used to make mortgage payments when general funds are not available and, with prior approval of the USDA, to pay for certain repairs and improvements to the property. This account had a balance of \$14,257 and \$13,454 for the years ended June 30, 2016 and 2015, respectively.

Concentration of Credit Risk - For the year ended June 30, 2016, approximately 45% of the revenues were from federal, state and local agencies and approximately 18% was from one not-for-profit organization. At June 30, 2016, approximately 63% of receivables were due from two not-for-profit organizations and approximately 27% of the receivables were due from federal, state and local agencies.

Advertising - The Agency follows the policy of charging advertising to expense when incurred. Advertising costs amounted to \$1,562 and \$601 for the years ended June 30, 2016 and 2015, respectively.

Statement of Cash Flows - For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

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.

Income Taxes - The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a).

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

Expense Allocation - Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of management's analysis of time and expense. Administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

3. **FIXED ASSETS**

Fixed assets consist of the following at June 30:

	2016	2015
Land	\$ 15,000	\$ 15,000
Building and improvements	327,118	327,118
Office equipment	14,103	14,103
Less: accumulated depreciation	132,972	122,672
NET FIXED ASSETS	<u>\$ 223,249</u>	<u>\$ 233,549</u>

4. **MORTGAGE PAYABLE**

The Council purchased a shelter house during 1998. The mortgage is with the USDA/Rural Development and calls for 360 monthly payments of \$685 including principal and interest of 4.75%. The outstanding principal balance as of June 30, 2016 and 2015, totaled \$73,700 and \$78,300, respectively. Estimated maturities for the years ended June 30 are as follows:

2017	\$ 4,823
2018	5,058
2019	5,303
2020	5,560
2021	5,830
Thereafter	47,126
TOTAL	<u>\$ 73,700</u>

The building is held as collateral on the loan. It is recorded at a cost of \$133,116 and accumulated depreciation of \$59,358 as of June 30, 2016.

5. **LEASES**

The Organization leases a copy machine from DNT Leasing under a capital lease. The copier is recorded as an asset and liability in the financial statements. The equipment is recorded at a cost of \$10,348 and accumulated depreciation of \$9,214 as of June 30, 2016.

5. **LEASES** - continued

Monthly lease payments are \$209 through February 2017. The present value of the lease payments are as follows:

	<u>AMOUNT</u>
Total payments year ended June 30, 2017	\$ 1,672
Less: amounts representing interest	<u>(48)</u>
Present value of minimum lease payments	<u>\$ 1,624</u>

The Organization has an agreement with a security company to lease security cameras for \$255 per quarter through July 2019. There is a second lease to provide monitoring of the cameras for \$222 per quarter through January 2018. Annual minimum lease payments for the years ending June 30 are as follows:

	<u>AMOUNT</u>
2017	\$ 1,823
2018	1,538
2019	1,020
2020	<u>75</u>
Total payments	<u>\$ 4,456</u>

The Organization leases a storage unit for \$100 a month. The thrift store, Curious Collections, was leased through June 30, 2016 at \$500 a month. Rent expenses totaled \$7,200 and \$2,600 for the years ended June 30, 2016 and 2015, respectively. The leases are classified as operating leases.

6. **RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes or periods as of June 30:

	<u>2016</u>	<u>2015</u>
Time restrictions:		
United Way of Greater St. Louis	\$ 53,648	\$ 56,581
Franklin County United Way	2,950	2,950
Other organizations	4,500	3,250
Purpose:		
Bed nights and personnel costs	11,774	-
Garden and landscaping expenses	3,084	1,660
TOTAL RESTRICTED NET ASSETS	<u>\$ 75,956</u>	<u>\$ 64,441</u>

7. **BOARD DESIGNATED NET ASSETS**

The board of directors has designated net assets for the following purposes as of June 30:

	<u>2016</u>	<u>2015</u>
Scholarship fund	\$ 3,057	\$ 3,057
Operations reserve	<u>16,280</u>	<u>16,280</u>
TOTAL RESTRICTED NET ASSETS	\$ <u>19,337</u>	\$ <u>19,337</u>

8. **INCOME TAX**

FASB Accounting Standards Codification Topic 740, Income Taxes provides for the recognition of tax benefits related to uncertain tax positions. For the year ended June 30, 2016, management believes there are no material uncertain tax positions. The Organization files form 990 Return of Organization Exempt From Income Tax, annually. Returns prior to 2012 are closed.

9. **SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 16, 2016, the date the financial statements were available to be issued.

The thrift store, Curious Collections, closed at the end of June, 2016, due to declining net revenues.