

**CENTRAL MINNESOTA TASK FORCE
ON BATTERED WOMEN
DBA: ANNA MARIE'S ALLIANCE**

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2011 AND 2010

SCHLENNER WENNER & CO.
Certified Public Accountants
& Business Consultants

**CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
DBA: ANNA MARIE'S ALLIANCE**

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INDEPENDENT AUDITORS' REPORT

November 22, 2011

Board of Directors
Central Minnesota Task Force on Battered Women
DBA: Anna Marie's Alliance
St. Cloud, Minnesota

We have audited the accompanying statements of financial position of Central Minnesota Task Force on Battered Women, DBA: Anna Marie's Alliance as of June 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statement of Central Minnesota Task Force on Battered Women's Lawful Gambling Fund, which statements reflect total assets and revenue constituting 3.6% and 2.4%, respectively of the related totals for the fiscal years ending June 30, 2011. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Central Minnesota Task Force on Battered Women, DBA: Anna Marie's Alliance, is based solely on the reports of the other auditors.

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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. 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 and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Central Minnesota Task Force on Battered Women, DBA: Anna Marie's Alliance as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



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**CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
DBA: ANNA MARIE'S ALLIANCE
STATEMENTS OF FINANCIAL POSITION**

ASSETS

	June 30,	
	2011	2010
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 294,302	\$ 233,313
Restricted Cash	122,631	112,406
Contributions Receivable	87,489	186,083
Pledges Receivable - Short-Term	2,675	-
Inventory	2,522	2,246
Prepaid Expenses	32,794	32,342
Total Current Assets	542,413	566,390
PROPERTY AND EQUIPMENT		
Land and Land Improvements	154,945	154,945
Building and Building Improvements	1,912,147	1,912,147
Equipment and Vehicles	481,981	473,208
	2,549,073	2,540,300
Less: Accumulated Depreciation	966,708	883,484
Net Property and Equipment	1,582,365	1,656,816
OTHER ASSETS		
Restricted Certificates of Deposit	25,000	25,000
Deposits	73,798	58,851
Long-Term Investments	995,674	837,652
Funds Held at Community Foundation	510,584	426,113
Pledges Receivable - Long-Term	12,500	-
Net Other Assets	1,617,556	1,347,616
TOTAL ASSETS	\$ 3,742,334	\$ 3,570,822

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 25,967	\$ 21,265
Accrued Expenses	23,709	25,932
Accrued Payroll and Payroll Taxes	36,815	30,376
Compensated Absences Payable	50,098	49,997
Deferred Revenue	60,914	47,792
Total Current Liabilities	197,503	175,362
NET ASSETS		
Unrestricted		
Undesignated	271,895	159,170
Designated - Operations	848,501	840,178
Designated - Capital Improvements	100,000	100,000
Designated - Gambling Funds	116,244	106,073
Designated - Fixed Assets	1,582,365	1,656,816
Designated - Quasi-Endowment	510,584	426,113
Temporarily Restricted	115,242	107,110
Total Net Assets	3,544,831	3,395,460
TOTAL LIABILITIES AND NET ASSETS	\$ 3,742,334	\$ 3,570,822

**CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
DBA: ANNA MARIE'S ALLIANCE
STATEMENTS OF ACTIVITIES**

	For the Year Ended June 30, 2011		
	Unrestricted	Temporarily Restricted	Total
REVENUES			
Contributions	\$ 197,502	\$ 28,436	\$ 225,938
United Way Contributions	-	76,500	76,500
Donated Goods and Services	258,926	-	258,926
Grant Revenue	1,226,734	-	1,226,734
Program Service Fees and Other Revenue	87,498	-	87,498
Investment Income	253,983	-	253,983
Charitable Gambling Revenue	1,188,096	-	1,188,096
Less: Gambling Expense	1,134,993	-	1,134,993
Other Revenue	3,092	-	3,092
Net Assets Released from Restriction	96,804	(96,804)	-
Total Revenues	2,177,642	8,132	2,185,774
EXPENSES			
Program Services	1,682,746	-	1,682,746
Management and General	234,111	-	234,111
Fundraising	119,546	-	119,546
Total Expenses	2,036,403	-	2,036,403
CHANGE IN NET ASSETS	141,239	8,132	149,371
Net Assets - Beginning of Year	3,288,350	107,110	3,395,460
NET ASSETS - END OF YEAR	\$ 3,429,589	\$ 115,242	\$ 3,544,831

See accompanying notes.

**CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
DBA: ANNA MARIE'S ALLIANCE
STATEMENTS OF ACTIVITIES**

	For the Year Ended June 30, 2010		
	Unrestricted	Temporarily Restricted	Total
REVENUE			
Contributions	\$ 193,999	\$ 30,304	\$ 224,303
United Way Contributions	-	76,500	76,500
Donated Goods and Services	263,022	-	263,022
Grant Revenue	1,217,179	-	1,217,179
Program Service Fees and Other Revenue	92,557	-	92,557
Investment Income	154,585	-	154,585
Charitable Gambling Revenue	1,272,791	-	1,272,791
Less: Gambling Expense	1,208,636	-	1,208,636
Other Revenue	10,700	-	10,700
Net Assets Released from Restriction	94,604	(94,604)	-
Total Revenue	2,090,801	12,200	2,103,001
EXPENSES			
Program Services	1,680,087	-	1,680,087
Management and General	218,059	-	218,059
Fundraising	118,281	-	118,281
Total Expenses	2,016,427	-	2,016,427
CHANGE IN NET ASSETS	74,374	12,200	86,574
Net Assets - Beginning of Year	3,213,976	94,910	3,308,886
NET ASSETS - END OF YEAR	\$ 3,288,350	\$ 107,110	\$ 3,395,460

See accompanying notes.

CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
DBA: ANNA MARIE'S ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2011

	Anna Marie's	Legal Advocacy	Transitional House	Volunteer Services	Youth Services	Community Outreach	Program Services	Management General	Fund Raising	Total
Salaries, Taxes and Benefits	\$ 593,102	\$ 61,024	\$ 11,827	\$ 38,951	\$ 329,582	\$ 58,305	\$ 1,092,791	\$ 180,614	\$ 94,869	\$ 1,368,274
Volunteer Labor	115,435	7,903	-	4,966	89,269	8,544	226,117	5,207	3,845	235,169
Contracted Services	1,485	230	3	6	31,589	110	33,423	1,940	113	35,476
Professional Fees	110	124	-	4	48	6	292	13,027	241	13,560
Office Supplies	2,819	258	-	415	931	585	5,008	1,480	594	7,082
Printing	-	-	-	-	281	2,330	2,611	-	4,045	6,656
Groceries	40,328	-	-	-	7	7	40,342	7	7	40,356
Donated Goods	15,957	-	-	-	-	-	15,957	-	-	15,957
Housekeeping	6,151	-	1,025	-	43	17	7,236	29	29	7,294
Telephone	6,500	800	1,152	318	1,389	1,346	11,505	1,145	785	13,435
Postage	408	328	-	44	172	2,496	3,448	305	2,615	6,368
Utilities	25,933	601	4,386	298	2,683	-	33,901	297	-	34,198
Alarm	1,187	-	216	-	-	-	1,403	-	-	1,403
Rent	-	-	-	-	4,620	2,640	7,260	4,620	4,620	16,500
Insurance and Bonds	9,464	1,015	1,578	480	4,607	692	17,836	1,706	905	20,447
Licenses	609	-	-	-	45	-	654	-	-	654
Repairs and Maintenance	29,533	1,337	4,468	580	6,197	1,575	43,690	2,088	2,297	48,075
Program Supplies and Fees	8,221	122	451	2,014	4,056	5,545	20,409	220	123	20,752
Publications	569	28	7	111	795	196	1,706	492	283	2,481
Vehicle and Travel	7,518	474	13	229	6,535	39	14,808	404	78	15,290
Staff Training and Meetings	3,241	1,000	89	428	2,296	140	7,194	1,820	3,039	12,053
Assistance to Women	7,670	3,238	93	-	60	-	11,061	-	-	11,061
Memberships	1,520	113	28	67	556	71	2,355	162	185	2,702
Miscellaneous	2,174	-	-	141	89	-	2,404	15,411	120	17,935
Depreciation	62,920	-	3,014	-	13,401	-	79,335	3,137	753	83,225
Total Expenses	\$ 942,854	\$ 78,595	\$ 28,350	\$ 49,052	\$ 499,251	\$ 84,644	\$ 1,682,746	\$ 234,111	\$ 119,546	\$ 2,036,403

**CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
DBA: ANNA MARIE'S ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended June 30, 2010

	Anna Marie's	Legal Advocacy	Transitional House	Hospital Program	Volunteer Services	Youth Services	Community Outreach	Program Services	Management General	Fund Raising	Total
Salaries, Taxes and Benefits	\$ 604,383	\$ 59,221	\$ 13,040	\$ 24,326	\$ 52,095	\$ 329,209	\$ 57,250	\$ 1,139,524	\$ 165,441	\$ 85,875	\$ 1,390,840
Volunteer Labor	110,350	8,125	-	-	-	68,965	6,239	193,679	6,216	2,485	202,380
Contracted Services	909	-	-	-	1,500	33,115	134	35,658	2,000	384	38,042
Professional Fees	920	15	4	6	6	34	6	991	13,191	6	14,188
Office Supplies	2,985	321	80	16	679	606	576	5,263	930	590	6,783
Printing	-	-	-	-	81	72	2,441	2,594	-	5,262	7,856
Groceries	41,854	-	-	-	-	-	-	41,854	-	-	41,854
Donated Goods	17,177	-	-	-	-	-	-	17,177	-	-	17,177
Housekeeping	5,900	-	695	-	-	36	36	6,667	35	36	6,738
Telephone	6,795	849	1,581	1	325	1,398	1,375	12,324	1,099	769	14,192
Postage	936	440	-	-	132	136	1,812	3,456	384	2,842	6,682
Utilities	23,419	538	3,432	-	269	2,423	-	30,081	270	-	30,351
Alarm	623	-	288	-	-	-	-	911	-	-	911
Rent	-	-	-	-	-	4,620	2,640	7,260	4,620	4,620	16,500
Insurance and Bonds	9,756	1,193	379	552	569	1,934	569	14,952	1,653	569	17,174
Licenses	692	-	-	-	-	235	-	927	-	-	927
Repairs and Maintenance	24,131	1,766	4,164	181	571	3,606	860	35,279	1,959	2,121	39,359
Program Supplies and Fees	6,825	145	433	5	427	4,949	1,261	14,045	1,760	3,703	19,508
Publications	596	45	320	17	126	182	202	1,488	257	493	2,238
Vehicle and Travel	5,993	279	66	4	471	9,258	245	16,316	440	342	17,098
Staff Training and Meetings	2,878	560	152	117	616	2,111	451	6,885	1,532	7,153	15,570
Assistance to Women	9,503	2,707	15	-	-	77	-	12,302	-	-	12,302
Memberships	1,783	197	43	64	149	453	188	2,877	331	74	3,282
Miscellaneous	1,719	-	-	-	45	27	10	1,801	12,663	204	14,668
Depreciation	72,608	-	3,168	-	-	-	-	75,776	3,278	753	79,807
Total Expenses	\$ 952,735	\$ 76,401	\$ 27,860	\$ 25,289	\$ 58,061	\$ 463,446	\$ 76,295	\$ 1,680,087	\$ 218,059	\$ 118,281	\$ 2,016,427

**CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
DBA: ANNA MARIE'S ALLIANCE
STATEMENTS OF CASH FLOWS
INCREASE (DECREASE) IN CASH**

	For the Year Ended June 30,	
	2011	2010
CASH FLOWS - OPERATING ACTIVITIES		
Public Support and Revenue	\$ 2,904,399	\$ 2,954,586
Cash paid to Suppliers and Employees	(2,835,902)	(2,935,045)
Interest Received	44,830	22,037
Net Cash Flows - Operating Activities	113,327	41,578
CASH FLOWS - INVESTING ACTIVITIES		
Net Change in Restricted Cash	(10,225)	13,696
Net Change in Investments	(33,340)	(7,767)
Purchase of Property and Equipment	(8,773)	(35,208)
Net Cash Flows - Investing Activities	(52,338)	(29,279)
NET CHANGE IN CASH	60,989	12,299
CASH, Beginning of Year	233,313	221,014
CASH, End of Year	\$ 294,302	\$ 233,313
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	\$ 149,371	\$ 86,574
Adjustments to Reconcile Change in Net Assets to Net Cash - Operating Activities:		
Depreciation	83,225	79,807
Loss on Disposal of Assets	-	79
Unrealized Loss on Investments	(165,764)	(155,239)
Realized Loss on Investments	(43,389)	22,691
Donated In-Kind Property and Equipment	-	(38,226)
Decrease (Increase) in:		
Pledges Receivable	(15,175)	-
Accounts Receivable	98,594	32,438
Inventory	(276)	902
Prepaid Expenses	(452)	200
Deposits	(14,947)	(17,558)
Increase (Decrease) in:		
Accounts Payable	4,701	6,831
Accrued Expenses	4,317	(4,960)
Deferred Revenue	13,122	28,039
Net Cash - Operating Activities	\$ 113,327	\$ 41,578
NONCASH TRANSACTIONS		
Donated Services, Materials, and Equipment Recorded as Revenues and Expenses in Unrestricted Net Assets	\$ 258,926	\$ 224,796

See accompanying notes.

**CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
DBA: ANNA MARIE'S ALLIANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Central Minnesota Task Force on Battered Women DBA: Anna Marie's Alliance (the Task Force) operates the following programs in St. Cloud, Minnesota:

Anna Marie's

Anna Marie's provides temporary safe shelter (24 hours, seven days a week), advocacy and support for battered women and their children from the nine county Central Minnesota regions. Women are assisted with choices about legal matters, housing, welfare, education opportunities, medical care and other short and long term goals.

Criminal Justice Intervention

The criminal justice advocates respond to victims of domestic abuse after an arrest in Stearns and Benton counties. Victims learn about their rights, emergency safety services, and the court process. Criminal Justice Intervention (CJI) advocates also work with the criminal justice system to develop and implement policies that maximize the intervention strategy.

Transitional House

The Jill Eckhoff Transitional House provides longer-term housing and advocacy services to battered women to help them move toward self-sufficiency. The transitional house can house up to four families who are in need of affordable housing and extended support services. An advocate will continue to provide follow-up services for at least six months after the woman leaves the transitional house.

Hospital Program

An advocate located at the hospital provides advocacy services to victims, education to healthcare professionals, and assists with development and implementation of policies and protocols that encourage screening and appropriate referral. Advocates are available on-call 24 hours a day to provide on-site advocacy to victims identified and referred by hospital staff. This program was largely discontinued in March 2010.

Volunteer Services

The Volunteer Services program provides opportunities to community members to donate their time and skills throughout the Organization. In addition, college students receive opportunities to conduct internships and gain field experience.

Youth Services

Anna Marie's *Children's Program* provides daycare, group support, activity time, and advocacy and assessment services to children residing at the shelter. Anna Marie's *Children Exposed to Violence Initiative* is a collaboration of child advocates, a therapist, a psychiatrist, and an early childhood educator. The purpose of the program is to provide immediate, on-site help for children who are experiencing trauma due to witnessing or experiencing domestic abuse. *School Youth Program* advocates provide early intervention through educational/support groups to help students develop healthy relationship skills in dating, family, and peer relationships. Students are referred mostly by school personnel during the onset of early warning signs of high risk behaviors. Youth advocates also go into local elementary schools and teach social skills.

Community Outreach

The Community Education Department provides community education and professional training to area businesses, faith, human service, civic organizations, and education community. The department also develops and produces education, information, and promotional materials for the Organization including the Organization newsletter. Additionally, the Connect: Growing a healthy relationship community™ initiative provides professional trainings on healthy relationships to businesses and healthcare and educational facilities, as well as governmental and faith communities.

CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
DBA: ANNA MARIE'S ALLIANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Task Force follows the FASB Accounting Standards Codification *Not-For-Profit Entities* topic 958. Under this topic, net assets and revenues, gains, and losses are classified based on donor imposed restrictions. Accordingly, net assets of the Task Force and changes therein are classified and reported as follows:

Unrestricted – Resources over which the Board of Directors has discretionary control. Designated amounts represent those revenues which the Board has set aside for a particular purpose.

Temporarily Restricted – Those resources subject to donor imposed restrictions which will be satisfied by actions of the Task Force or passage of time.

Permanently Restricted – Those resources subject to a donor imposed restriction that they be maintained permanently by the Task Force. The donors of these resources would typically permit the Task Force to use all or part of the income earned, including capital appreciation or related investments, for unrestricted or temporarily restricted purposes.

The Task Force has elected to present temporarily restricted contributions, which are fulfilled in the same time period, within the unrestricted net asset class.

Estimates

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

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Task Force considers all unrestricted short-term investments purchased with an original maturity of three months or less to be cash equivalents.

Restricted Cash

Restricted cash represents lawful gambling funds restricted by the State of Minnesota.

Concentrations

The Task Force maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits (FDIC). At both June 30, 2011 and 2010, the Task Force's uninsured cash balances total \$0. The Task Force has not experienced any losses in such accounts. Management believes The Task Force is not exposed to any significant credit risk on cash.

Pledges Receivable

Pledges receivable are carried at original pledge amount which is estimated to be fair value and are recorded as receivables when pledged. Pledges receivable are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Pledges receivable have been adjusted for all known uncollectible accounts. No allowance for uncollectible amounts is considered necessary at year end.

Inventory

Inventory consists of the vendor costs of the games purchased for lawful gambling activities. State gambling taxes and sales taxes are not included in inventory.

CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
DBA: ANNA MARIE'S ALLIANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are carried at historical cost. Donated land, property and equipment are carried at the estimated fair value at the date of donation. Major additions and betterments of \$1,500 or more are charged to the property and equipment accounts while replacements, maintenance, and repairs that do not improve or extend the life of the respective assets are expensed currently. The Task Force retains a reversionary interest in all land, property and equipment.

Depreciation

Depreciation is computed using the straight-line method for financial reporting purposes. Depreciation of physical properties is based on the estimated useful lives of property which range from five to thirty-nine years. Depreciation expense on assets acquired under capital leases is included in depreciation expense.

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. Measurement of an impairment loss for long-lived assets is based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Restricted Certificates of Deposit

The restricted certificates of deposit are recorded at cost, which estimates fair value. The amount consists of two certificates of deposit which mature June and July 2012 and both have interest rates of 0.9%. Such funds are required to be kept in escrow under the terms of a lease agreement.

Long-Term Investments

The Task Force's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note E for discussion of fair value measurements. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Deferred Revenue

Deferred revenue consists of grants deemed to be exchange transactions that relate to future periods.

Recognition of Contributions

The Task Force 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. 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 Statements of Activities as net assets released from restrictions.

The Task Force reports gifts of land, property and equipment as unrestricted revenue 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 Task Force reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. All such gifts are recorded at fair value at the time of donation.

Grants

Grants are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant, are made. Funds received but not yet earned are shown as deferred revenue.

CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services and Materials

Donated services are recognized as contributions in accordance with FASB Accounting Standards Codification Topic 958, *Not-for-Profit Entities*. Donated services recognized and also included in the in-kind contributions on the Statements of Activities consist of volunteer labor that requires specialized skills at their estimated fair value. Such donated services amount to \$238,192 and \$202,380 for the fiscal years ended June 30, 2011 and 2010, respectively. Such amounts are included in the in-kind contributions on the Statements of Activities.

Donated materials received by the Task Force consist primarily of items which are used by shelter participants. Donated materials are valued and recorded at their estimated market value at the date of receipt.

Functional Expenses

The Task Force allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly to that program according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases as determined by management.

Promotional and Fundraising Expense

The Task Force expenses promotional costs, including fundraising, as they are incurred.

Unemployment Compensation

The Task Force has elected to fund their unemployment tax claims through the Unemployment Services Trust. Contributions and unemployment payments are made through this Trust.

Income Taxes

The Task Force follows Topic 740, *Uncertainty in Income Taxes*, of the FASB Accounting Standards Codification. The Task Force is recognized by the Internal Revenue Service as a not-for-profit organization under IRS Code Section 501(c)(3). Due to the not-for-profit nature and provision of the Organization, all income and expenses attributable to the mission of the Organization are tax exempt and accordingly no provision or liability for income taxes have been made in the financial statements and contributions to the Organization are tax deductible to donors as allowed by IRS regulations. However, the Organization is required to pay state and federal income taxes on unrelated business income. If the Organization were to engage in any activities that resulted in unrelated business income, a tax would be assessed on that activity. The Task Force is open to examination for tax years 2008, 2009, 2010, and 2011. See Note N Income Taxes for additional information.

Reclassifications

Certain reclassifications have been made to the prior years' financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of activities or net assets.

Subsequent Events

In accordance with FASB Accounting Standards Codification Topic 855, *Subsequent Events*, the Organization has evaluated subsequent events through November 22, 2011, which is the date these financial statements were available to be issued, and have determined there are no subsequent events that require recognition or disclosure.

NOTE B CONCENTRATIONS

The Task Force received as majority of its grant revenues from the Minnesota Center for Crime Victim Services (MCCVS). For the years ended June 30, 2011 and 2010, 88% and 84%, respectively, of grant revenues and 50% and 49%, respectively, of total unrestricted revenues and other support consists of MCCVS related grant revenues.

In addition, at June 30, 2011 and 2010, receivables from United Way accounted for 4% and 5%, respectively, of total revenues.

CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

NOTE C RESTRICTED CASH AND CERTIFICATES OF DEPOSIT

	For the Year Ended June 30,	
	2011	2010
Gambling Bank Accounts	\$ 118,131	\$ 107,906
Game Start Banks	4,500	4,500
Certificates of Deposit (Lease Escrow Accounts)	25,000	25,000
Total Restrictred Cash	<u>\$ 147,631</u>	<u>\$ 137,406</u>

NOTE D LONG-TERM INVESTMENTS

At June 30, 2011, long-term investments comprised of the following:

	Cost Value	Fair Value	Percent of Total
Equities	\$ 532,405	\$ 539,705	54.3
International Securities	137,406	138,736	13.9
Fixed Income	281,862	287,999	28.9
Cash and Money Market	29,235	29,235	2.9
Totals	<u>\$ 980,908</u>	<u>\$ 995,675</u>	<u>100.0</u>

At June 30, 2010, long-term investments comprised of the following:

	Cost Value	Fair Value	Percent of Total
Equities	\$ 511,859	\$ 440,988	52.7
International Securities	138,892	113,112	13.5
Fixed Income	240,214	256,566	30.6
Cash and Money Market	26,986	26,986	3.2
Totals	<u>\$ 917,951</u>	<u>\$ 837,652</u>	<u>100.0</u>

Investment income (loss) from cash and investments is comprised of the following:

	For the Year Ended June 30,	
	2011	2010
Realized Gains/(Losses)	\$ 54,217	\$ (34,007)
Interest and Dividends	21,852	19,951
Net Unrealized Gains/(Losses)	165,764	155,239
Investment Income Related to Funds Held at Community Foundation	10,828	10,370
Other Interest Income not Related to Investments	1,322	3,032
Net Investment Income (Loss)	<u>\$ 253,983</u>	<u>\$ 154,585</u>

During the current year, the Organization experienced some market recovery from the prior year losses due to the credit and liquidity crisis in the United States and throughout the global financial system which has resulted in substantial volatility in financial markets and the banking system. As a result, investments have likely incurred a significant change in fair value since June 30, 2011. In addition, certain non-readily marketable investments are significantly less liquid than they have been historically (and in some cases the counter parties have imposed redemptions restrictions).

**CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

NOTE E FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board *Fair Values Measurements and Disclosures* topic 820 establishes a framework for measuring fair value. That framework provides 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 active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB *Fair Values Measurements and Disclosures* topic 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant of the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2011 and 2010:

Mutual Funds: Valued at the closing price reported on the active market on which the securities are traded.

Endowments: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

	June 30, 2011			
	Level 1	Level 2	Level 3	Total
Long-Term Investments	\$ 995,674	\$ -	\$ -	\$ 995,674
Funds Held at Community Foundation	510,584	-	-	510,584
Total Investments at Fair Value	\$ 1,506,258	\$ -	\$ -	\$ 1,506,258
	June 30, 2010			
	Level 1	Level 2	Level 3	Total
Long-Term Investments	\$ 837,652	\$ -	\$ -	\$ 837,652
Funds Held at Community Foundation	426,113	-	-	426,113
Total Investments at Fair Value	\$ 1,263,765	\$ -	\$ -	\$ 1,263,765

**CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

NOTE F RECEIVABLES

At June 30, 2011, receivables consist of the following:

	2011	2010
Interest Receivable	\$ 14	\$ 51
Contribution Receivable	76,500	76,500
Miscellaneous Receivable	2,240	29
Grants Receivable		
State of Minnesota	-	86,410
Emergency Food and Shelter Program	-	19,468
Minnesota Department of Education	4,104	2,774
Stearns County	4,500	-
Other Grants	131	851
Total Grants Receivable	8,735	109,503
Total Receivable	\$ 87,489	\$ 186,083

As of June 30, 2011 and 2010, all of the above receivables are due in less than one year.

Receivables are stated at net realizable value. The Task Force has not experienced any collection problems related to these receivables in the past; therefore, no reserve for uncollectible amounts was considered necessary at June 30, 2011 and 2010, respectively.

NOTE G FUNDS HELD BY THE CENTRAL MINNESOTA COMMUNITY FOUNDATION

In June 1992, the Task Force entered into an agreement with the Central Minnesota community Foundation (The Foundation) establishing the Central Minnesota Task Force on Battered Women Endowment Fund. The purpose of the fund is to generate income and capital appreciation for the financial support of the Task Force, FASB Accounting Standards Codification Topic 958, *Not-for-Profit Entities*, regarding funds established by a charitable organization for their own benefit. Although the Foundation has "variance powers" to redirect the funds, the Task Force still retains future economic benefit in the transferred assets. The Task Force has recorded the fair market value of its share of the Foundation's holdings on its financial statements. All endowment funds are unrestricted-designated net assets.

The following is a summary of the fund activity recorded in the accompanying financial statements:

	For the Year Ended June 30,	
	2011	2010
Balance - Beginning of the Year	\$ 426,113	\$ 383,378
Investment Earnings:		
Realized Gains/(Losses)	2,947	(2,111)
Unrealized Gains/(Losses)	70,696	34,476
Interest and Dividends	10,828	10,370
Balance - End of the Year	\$ 510,584	\$ 426,113

CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

NOTE G FUNDS HELD BY THE CENTRAL MINNESOTA COMMUNITY FOUNDATION (Continued)

Additional Endowment Disclosures:

Interpretation of Relevant Law

The Board of Directors of the Task Force has interpreted the Minnesota Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Task Force classifies the endowment as unrestricted-designated net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Task Force considers the following factors in making a determination to appropriate or accumulate endowment funds:

- (1) The duration and preservation of the fund,
- (2) The purposes of the organization and the endowment fund,
- (3) General economic conditions,
- (4) The possible effect of inflation and deflation,
- (5) The expected total return from income and the appreciation of investments,
- (6) Other resources of the Organization, and
- (7) The investment policies of the Task Force

Return Objectives and Risk Parameters

The Task Force has transferred these funds to Central Minnesota Community Foundation (the Foundation) who determines the investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for donor-specified periods. Under this agreement, as approved by the Board of Directors, the endowment assets are invested and monitored closely in a manner that is directed by the Foundation under their prudent investment policy. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Task Force relies on the discretion of the Foundation as noted above to achieve a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year. In establishing this policy, the Task Force considered the long-term expected return on its endowment. Accordingly, over the long term, the Task Force expects the current spending policy to allow its endowment to grow annually. This is consistent with the Task Force's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE H DESIGNATED NET ASSETS

The Organization's Board of Directors has designated a portion of its unrestricted net assets. Designated amounts consist of the following:

Operations

The operations reserve exists for general purposes and is equal to approximately five months of expenses. Amounts designated for this reserve as of June 30, 2011 and 2010 total \$848,501 and \$840,178, respectively.

CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

NOTE H DESIGNATED NET ASSETS (Continued)

Capital Improvements

The capital improvement reserve exists for future capital expenditures. Amounts designated for this reserve as of both June 30, 2011 and 2010 total \$100,000.

Gambling Funds

Designated gambling funds consist of the profit carryover of the gambling operation as of June 30, 2011. These funds will be used as future lawful purpose amounts are approved. Amounts designated for this reserve as of June 30, 2011 and 2010 total \$116,244 and \$106,073, respectively.

Fixed Assets

The fixed assets reserve represents the Organization's net investment in property and equipment. Amounts designated for this reserve as of June 30, 2011 and 2010 total \$1,582,365 and \$1,656,816, respectively.

Long-Term Investment

Funds designated for long-term investment consist of amounts held at the Central Minnesota Community Foundation. Amounts designated as of June 30, 2011 and 2010 total \$510,584 and \$426,113, respectively.

NOTE I TEMPORARILY RESTRICTED NET ASSETS

Net assets temporarily restricted as of June 30, 2011 and 2010, represent unconditional promises to give to be received in future years to support future program services and amounts received to be used for a specific program. Net assets were released from donor restriction by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors, including the passage of time.

NOTE J CONTINGENCIES

Grants require the fulfillment of certain conditions as set forth in the grant instruments. Failure to fulfill the conditions could result in the return of funds to grantors. Management does not expect to return any significant grant funds due to not fulfilling grant conditions.

NOTE K COMMITMENTS

The Task Force entered into a lease for Anna Marie's with St. Cloud Housing and Redevelopment Authority dated May 1999. The lease term commenced February 2000 for a term of twenty years. The lease contains options to extend the lease for two ten-year periods. Monthly rent payments of \$968 are offset by payments on a note receivable owed by the HRA to the Task Force. No additional lease payments are required if the lease is extended beyond twenty years. The lease has been classified as a capital lease payable with an offsetting Note Receivable from St. Cloud Housing and Redevelopment Authority.

**CENTRAL MINNESOTA TASK FORCE ON BATTERED WOMEN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

NOTE K COMMITMENTS (Continued)

The note receivable bears interest at 6% with partial payments of interest only of \$968 due during the initial term of the lease. These payments are considered paid by offsetting the monthly capital lease payment set forth above. Final payment is due twenty years after the completion date or upon termination of the lease, but not later than January 2040. The note receivable is secured by a mortgage on the property. The capital lease payable and note receivable are offset with each other and therefore no balance is included on the Statements of Financial Position.

NOTE L OPERATING LEASES

The Task Force leases space under a non-cancelable operating lease at a constant rate of \$1,375 per month which expires June 30, 2011. The Task Force has extended this lease beyond June, 2011 on a month to month basis with no changes in terms or rental rate. Operating lease payments total \$16,500 for both of the years ended June 30, 2011 and 2010.

The Task Force also has equipment under an operating lease. Monthly payments on the server equipment are \$249. The equipment lease expires in May 2013. Operating lease payments total \$2,988 for both of the years ended June 30, 2011 and 2010.

The Task Force leases space for the sites of its lawful gambling pull tab booth and bingo sessions with the City of St. Cloud. The lease agreement for the year ended June 30, 2011 requires \$1,714 per month and can be terminated by either party with a 30 day notice. Operating lease payments total \$20,568 for both of the years ended June 30, 2011 and 2010.

At June 30, 2011, estimated future minimum lease obligations are as follows:

Years Ended June 30,	Amount
2012	\$ 2,988
2013	2,739
Total	<u>\$ 5,727</u>

NOTE M PENSION PLAN

All full-time employees of the Task Force are eligible to participate in a 403(b) tax deferred annuity salary reduction agreement administered by various financial institutions. The Board of Directors elected to contribute up to 5% of gross salaries to the Plan for fiscal year ended June 30, 2011. Employer contributions to the plan total \$32,949 and \$46,014 for the fiscal years ended June 30, 2011 and 2010, respectively.

NOTE N INCOME TAXES

At June 30, 2011, the Task Force's lawful gambling fund has net operating loss carryovers which are available to offset future unrelated taxable income as follows:

	Amount	Expires
Federal	<u>\$ 31,000</u>	2020
State	<u>\$ 98,000</u>	2011

The Organization has not been audited by the Internal Revenue Service or Minnesota Revenue, and accordingly the unrelated business income tax returns for the past three and one-half years are open to examination.