

YWCA OF CENTRAL ALABAMA AND AFFILIATES

**Audited Combined Financial Statements
and
Supplemental Information**

**For the Years Ended
December 31, 2017 and 2016**

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Table of Contents For the Years Ended December 31, 2017 and 2016

Nature of Operations	1-3
Independent Auditor's Report	4-5
Combined Statements of Financial Position	6
Combined Statement of Activities – 2017	7
Combined Statement of Activities – 2016	8
Combined Statement of Functional Expenses – 2017	9
Combined Statement of Functional Expenses – 2016	10
Combined Statements of Cash Flows	11-12
Notes to Combined Financial Statements	13-22
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	23-24
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	25-26
Supplemental Information	
Combined Schedule of Expenditures of Federal Awards	27-28
Notes to Combined Schedule of Expenditures of Federal Awards	29
Schedule of Findings and Questioned Costs	30-31
Combining Statement of Financial Position – 2017	32
Combining Statement of Financial Position – 2016	33
Combining Statement of Activities – 2017	34
Combining Statement of Activities – 2016	35

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Nature of Operations For the Years Ended December 31, 2017 and 2016

The YWCA of Central Alabama and Affiliates (the YWCA) is a not-for-profit corporation founded in 1903, which provides various programs and services for women, children and their families in the Central Alabama area. The YWCA is an organization whose vision is to empower women, eliminate racism and promote peace, justice, freedom and dignity for all. The YWCA is a diverse group, which identifies and responds to the needs of women and families of all races and religions. The YWCA plays a leadership and collaborative role as it works to achieve positive change in the lives of individuals in the community. Many of the YWCA's program services are reimbursed/subsidized by government agencies and local organizations. YW Homes, Inc. is a not-for-profit corporation organized in 1998, which promotes and provides affordable housing in the Central Alabama area. YW Homes, Inc. has received, from Jefferson County and the City of Birmingham, the designation as a Community Housing Development Organization (CHDO). YW Four Winds East, LLC, was created in 2001 to provide affordable housing for elderly and disabled clients with low incomes in Jefferson County, Alabama. YW Housing Partners, Ltd. is an Alabama limited partnership formed pursuant to the laws of the State of Alabama in 1996 to develop and operate a 62-unit low income housing apartment complex located in Birmingham, Alabama.

Program Services

- Housing – The YWCA of Central Alabama's housing department is committed to providing excellent housing and supportive programming for women, children and families in the area. We offer a variety of temporary and permanent housing options for individuals and families based on their need and situation. We work to ensure equal and fair access to this housing accommodating multiple needs and striving to uphold the dignity of each person we are serving.
 - ❖ Permanent Housing programs –The YWCA offers low-cost, one-bedroom apartments to residents who cannot find affordable or appropriate housing on the open market. There are 74 apartments for permanent housing.
 - ❖ Transitional Housing programs – This program serves homeless families making the difficult transition from living in an emergency shelter to finding permanent housing. These families need time and guidance to become economically self-sufficient. Families are permitted to live at the YW for up to 18 months. There are currently 14 apartments devoted to Transitional Housing and the YW also provides case management and counseling to residents who need assistance.
 - ❖ YW Homes – The YW Homes program promotes and provides affordable housing in Jefferson and St. Clair counties in Alabama. Two-parent families with children, or single mothers with at least one male child 10 years old or older, or a single father with children of any age may be eligible for emergency housing through the YWCA's Interfaith Hospitality House.
 - ❖ YW Four Winds East LLC – This housing program provides affordable housing for the elderly and/or disabled. There are 14 units located in the Avondale community. Each one-bedroom, one-bath home is built to accommodate a wheelchair and is handicap accessible. Support services are offered through a partnership with the Collat Jewish Family Services program and Avondale Samaritan Place.
 - ❖ Rosedale Senior Housing – These eight individual senior homes are located in Homewood, Alabama and also provide housing for low-income elderly and disabled individuals. Each one-bedroom, one-bath unit is wheelchair accessible with all electric appliances.

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Nature of Operations

For the Years Ended December 31, 2017 and 2016 (continued)

- ❖ Interfaith Hospitality House – A shelter for two-parent families, mothers and teenage boys, and single fathers with children, was opened in September 2009.
- Child Development – The YWCA of Central Alabama's Child Development Center staff believe that those with the least, deserve the very best start in life. The YW program is licensed by the State of Alabama and nationally accredited by the National Association for the Education of the Young Child (NAEYC). In addition to providing the children with a safe place to learn and play, The YW center also provides snacks and two hot meals a day.
 - ❖ Calico Corner Child Development Program – The YWCA offers this program to address the critical shortage of quality, licensed affordable childcare for children of working families in our community. Calico Corner, which received national accreditation in 2007, serves predominantly working poor families, including many single parent families and many formerly homeless families.
 - ❖ KIDS (Kids in Distress) Korner Child Development Program – The YWCA child development program provides a high-quality program for children living in area homeless shelters, so their parents can work or seek work and housing. The curriculum focuses on building self-esteem and security for children whose lives are in traumatic transition. The KIDS Korner Child Development Program received national accreditation in 2007.
 - ❖ After-School Enrichment Program for School-Aged Homeless Children (ASEP) – This after-school program gives homeless children, who are living in community shelters, the extra attention and support they need during the year by providing them with tutors and academic enrichment activities. The YWCA works as liaisons between parents, schools, shelters, and counselors to ensure that the children's academic and emotional needs are being met.
- Domestic Violence Services – Domestic Violence Services from the YW are Jefferson/Blount/St. Clair counties' only multi-service program for domestic violence. The program offers a 24-hour hotline and secure confidential housing and counseling, as well as a broad array of services. They are:
 - ❖ Children in Crisis (CIC) – This weekly support group is for children who have witnessed domestic violence in their homes. Topics addressed include how to be safe in an unsafe home, self-esteem and anger management.
 - ❖ Family Violence Center and Our Place – The YWCA operates two domestic violence shelters at confidential locations for women and children fleeing abusive homes. Counselors help these women make safety plans, obtain jobs or job training, and work toward independence and self-sufficiency. One shelter serves Jefferson County, while a second shelter was opened in October 2009 to serve Blount and St. Clair counties.
 - ❖ Court Advocacy Program – This program links victims, whether in a shelter or still at home, with professional advocates who provide guidance through the often intimidating legal system. Advocates work with judges, prosecutors and law enforcement and they also refer batterers to counseling programs offered by other agencies in Blount, Jefferson and St. Clair counties.

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Nature of Operations

For the Years Ended December 31, 2017 and 2016 (continued)

- ❖ Legal Assistance to Victims – This program links a victim with an attorney who provides guidance through the often intimidating legal system. Attorneys provide direct, legal services (e.g. family law) for individuals with limited income in Blount, Jefferson and St. Clair counties.
- ❖ Crisis Line (322-HURT/4878) – The YWCA maintains a 24-hour domestic violence crisis line answered by staff and volunteers trained in crisis intervention. Callers are instructed on how to plan for the safety of themselves and their children. Referrals to confidential shelters are made through the crisis line.
- ❖ Domestic Violence Community Outreach – The YW seeks to promote awareness about domestic and dating violence and works in cooperation with other organizations serving domestic violence victims as well as middle and high schools. The outreach team leads support groups and information sessions at locations throughout the community, as well as assisting women in finding permanent housing.
- ❖ Rural Advocacy and Outreach – The YWCA of Central Alabama has Domestic Violence offices located in Blount and St. Clair counties. These offices offer court advocacy, outreach and support groups to victims of domestic violence and assist isolated rural victims in accessing social services, safe housing and legal services.
- Social Justice – The Social Justice Programs of the YWCA of Central Alabama provide leadership programs and advocacy concerning women's issues and racial justice. It develops and supports opportunities for innovative programming, community building, education, and advocacy efforts. Some of the programs are:
 - ❖ **AmeriCorps** – A national service initiative, similar to the Peace Corps and is for those who want to commit to at least one year of service nationally, rather than internationally. Since its inception in 1994, more than 1 million AmeriCorps members have contributed over 1.4 billion hours in service to their country while leveraging millions of community volunteers. Local YWCA AmeriCorps members serve more than 60,000 hours each year benefiting the metro-Birmingham area, Shelby, Blount and St. Clair counties.
 - ❖ **Anytown Alabama** - A social justice summer camp for teens started by the National Conference for Community and Justice (NCCJ) in 1989. The NCCJ is a human relations organization dedicated to fighting bias, bigotry and racism in America. The YWCA and NCCJ have been collaborating partners in bringing Anytown to the community since 2011. In 2017, more than 33 schools and approximately 70 students attended to represent their community.
 - ❖ **Heritage Panel** - Heritage Panel starts with a fun yet intensive two-day training where a diverse group of 25 to 30 students and two to five teachers or administrators make a commitment to discouraging bullying, harassment and discrimination at their school. Over the course of the training, teachers and students will discuss important but often ignored issues that affect their school experience, such as cliques, race, gender, cultural backgrounds and exclusion. Deep discussion, plus fun games and team building exercises, bring the group closer.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
YWCA of Central Alabama and Affiliates
Birmingham, Alabama

Report on the Financial Statements

We have audited the accompanying combined financial statements of YWCA of Central Alabama and Affiliates, a nonprofit organization, (the YWCA), which comprise the combined statement of financial position as of December 31, 2017 and 2016, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. 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 combined financial statements referred to above present fairly, in all material respects, the financial position of the YWCA as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statements on pages 31-34 are presented for purposes of additional analysis and are not a required part of the financial statements of the YWCA. In addition, the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE on our consideration of the YWCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering YWCA's internal control of financial reporting and compliance.

Borland Benefield, P.C.
Birmingham, Alabama
REPORT DATE

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Combined Statements of Financial Position

	December 31,	
	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents (See Note 2)	\$ 1,787,192	\$ 1,226,788
Investments (See Note 3)	2,211,743	2,016,678
Deposits	64,484	83,401
Accounts receivable	6,663	6,732
Grants and contracts receivable	537,152	471,935
Mortgages receivable	9,856	10,623
Prepaid expenses	16,024	11,910
Other assets	1,040	1,819
Pledge receivable, net (See Note 4)	2,554,540	-
Property and equipment, net (See Note 5)	<u>14,814,673</u>	<u>15,874,039</u>
Total Assets	<u>\$ 22,003,367</u>	<u>\$ 19,703,925</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 102,916	\$ 94,730
Bank overdraft	-	3,540
Payroll taxes and amounts withheld from employees	24,141	22,035
Accrued salaries and wages	183,142	207,325
Interest payable	37,634	35,152
Mortgage payable (See Note 6)	2,923,870	2,974,566
Advances from the HUD HOME program (See Note 10)	4,093,259	4,093,259
Deferred revenue	72,813	79,930
Tenant deposits	49,481	43,421
Due to related party	<u>8,830</u>	<u>14,947</u>
Total Liabilities	<u>7,496,086</u>	<u>7,568,905</u>
Net Assets		
Unrestricted	9,219,435	9,321,248
Unrestricted - board designated	1,396,365	1,259,225
Temporarily restricted (See Note 8)	<u>3,891,481</u>	<u>1,554,547</u>
Total Net Assets	<u>14,507,281</u>	<u>12,135,020</u>
Total Liabilities and Net Assets	<u>\$ 22,003,367</u>	<u>\$ 19,703,925</u>

See accompanying notes to financial statements.

YWCA OF CENTRAL ALABAMA AND AFFILIATES

**Combined Statement of Activities
For the Year Ended December 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue, Gains and Other Support			
United Way funding	\$ 1,567,244	\$ -	\$ 1,567,244
Federal awards	89,952	2,130,706	2,220,658
Other grants	-	675,214	675,214
Special events	1,024,810	-	1,024,810
Program service fees	1,144,719	-	1,144,719
Contributions and donations	3,808,021	14,414	3,822,435
Membership and special projects	139,784	-	139,784
Miscellaneous income	43,075	-	43,075
Interest income	1,156	-	1,156
Gain on investments	-	180,715	180,715
Net assets released from restrictions - expenditures made	664,115	(664,115)	-
Total Revenue, Gains and Other Support	<u>8,482,876</u>	<u>2,336,934</u>	<u>10,819,810</u>
Expenses			
Program Services			
Domestic violence services	2,373,406	-	2,373,406
Child care	456,322	-	456,322
Day care	1,224,808	-	1,224,808
Residency	944,291	-	944,291
Day care for homeless	566,329	-	566,329
Social justice	1,066,867	-	1,066,867
Interfaith	452,935	-	452,935
Housing	588,403	-	588,403
Total Program Services	<u>7,673,361</u>	<u>-</u>	<u>7,673,361</u>
Support Services			
Administrative	459,860	-	459,860
Development	314,328	-	314,328
Total Support Services	<u>774,188</u>	<u>-</u>	<u>774,188</u>
Total Expenses	<u>8,447,549</u>	<u>-</u>	<u>8,447,549</u>
Change in Net Assets	35,327	2,336,934	2,372,261
Net Assets, Beginning of Year	<u>10,580,473</u>	<u>1,554,547</u>	<u>12,135,020</u>
Net Assets, End of Year	<u>\$ 10,615,800</u>	<u>\$ 3,891,481</u>	<u>\$ 14,507,281</u>

See accompanying notes to financial statements.

YWCA OF CENTRAL ALABAMA AND AFFILIATES

**Combined Statement of Activities
For the Year Ended December 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue, Gains and Other Support			
United Way funding	\$ 1,566,016	\$ -	\$ 1,566,016
Federal awards	80,630	1,530,014	1,610,644
Other grants	-	889,910	889,910
Special events	880,160	-	880,160
Program service fees	899,491	-	899,491
Contributions and donations	443,277	350,472	793,749
Membership and special projects	133,084	-	133,084
Sales to public	20,479	-	20,479
Miscellaneous income	11,790	-	11,790
Interest income	1,891	-	1,891
Loss on investments	-	89,928	89,928
Net assets released from restrictions - expenditures	3,469,294	(3,469,294)	-
Total Revenue, Gains and Other Support	<u>7,506,112</u>	<u>(608,970)</u>	<u>6,897,142</u>
Expenses			
Program Services			
Domestic violence services	2,267,217	-	2,267,217
Child care	396,968	-	396,968
Day care	1,394,207	-	1,394,207
Residency	948,338	-	948,338
Day care for homeless	474,632	-	474,632
Social justice	1,148,269	-	1,148,269
Interfaith	428,226	-	428,226
Housing	586,655	-	586,655
Total Program Services	<u>7,644,512</u>	<u>-</u>	<u>7,644,512</u>
Support Services			
Administrative	607,987	-	607,987
Development	306,847	-	306,847
Total Support Services	<u>914,834</u>	<u>-</u>	<u>914,834</u>
Total Expenses	<u>8,559,346</u>	<u>-</u>	<u>8,559,346</u>
Change in Net Assets	(1,053,234)	(608,970)	(1,662,204)
Net Assets, Beginning of Year	<u>11,633,707</u>	<u>2,163,517</u>	<u>13,797,224</u>
Net Assets, End of Year	<u>\$ 10,580,473</u>	<u>\$ 1,554,547</u>	<u>\$ 12,135,020</u>

See accompanying notes to financial statements.

YWCA OF CENTRAL ALABAMA AND AFFILIATES

**Combined Statement of Functional Expenses
For the Year Ended December 31, 2017**

								<u>Housing</u>		<u>Support Services</u>			
	<u>Domestic Violence Services</u>	<u>Child Care</u>	<u>Day Care</u>	<u>Residency</u>	<u>Day Care for Homeless</u>	<u>Social Justice</u>	<u>Interfaith</u>	<u>YW Homes, Inc.</u>	<u>YW Four Winds East, LLC</u>	<u>Administrative</u>	<u>Development</u>	<u>Building Services</u>	<u>Total</u>
Payroll and Related Costs													
Salaries and wages	\$ 1,020,463	\$ 122,688	\$ 363,522	\$ 161,170	\$ 234,029	\$ 625,316	\$ 190,055	\$ 82,431	\$ 12,261	\$ 742,415	\$ 143,726	\$ 382,468	\$ 4,080,544
Employee benefits and other costs	200,984	17,368	94,815	40,573	48,959	82,317	43,962	16,234	-	66,332	-	94,482	706,026
Payroll taxes	72,144	7,764	26,903	12,497	16,616	54,464	13,471	5,135	-	57,941	-	27,896	294,831
Total Payroll and Related	<u>1,293,591</u>	<u>147,820</u>	<u>485,240</u>	<u>214,240</u>	<u>299,604</u>	<u>762,097</u>	<u>247,488</u>	<u>103,800</u>	<u>12,261</u>	<u>866,688</u>	<u>143,726</u>	<u>504,846</u>	<u>5,081,401</u>
Other Costs													
Professional fees	38,055	360	1,734	15,923	416	4,545	7	33,380	27,758	162,285	-	330	284,793
Office supplies	15,163	3,013	30,004	1,018	17,619	15,183	6,318	28,358	-	44,800	-	3,987	165,463
Client expenses	24,780	9,715	73,408	2,647	28,474	13,545	22,132	-	-	15,206	-	1,348	191,255
Telephone	26,400	1,248	1,204	11,275	1,104	1,856	7,596	-	-	11,516	-	5,550	67,749
Postage	358	-	-	-	-	328	-	5	-	10,177	-	-	10,868
Occupancy	110,286	24,571	47,612	328,120	32,240	11,485	72,061	155,306	49,337	2,681	-	177,454	1,011,153
Equipment rental and maintenance	2,619	-	4,045	19,485	543	1,195	5,693	1,777	-	18,894	-	16,377	70,628
Printing/photography	4,608	-	565	1,884	900	3,837	139	-	-	19,186	-	14	31,133
Special events	3,161	-	-	-	16,667	1,500	-	5,739	-	151,160	-	-	178,227
Vehicle	30,271	17,255	2,638	4,825	1,454	5,188	2,524	1,837	-	16,230	-	12,704	94,926
Conferences/meetings	6,277	-	10,750	4,054	-	39,263	35	114	-	10,597	-	132	71,222
Client assistance	75,309	-	-	4,031	-	-	679	2,998	-	6,863	-	-	89,880
Dues and subscriptions	3,438	144	290	1,025	-	762	44	45	-	5,193	-	46	10,987
National dues	-	-	-	-	-	-	-	-	-	40,000	-	-	40,000
Contributions	-	-	-	-	-	-	-	-	-	3,050	-	-	3,050
Licenses and taxes	-	-	-	240	-	-	88	224	4,253	290	-	7,363	12,458
Other	1,644	-	953	(877)	316	2,113	-	-	1,957	7,959	-	150	14,215
Professional insurance	2,842	-	-	-	-	-	-	-	-	4,240	-	-	7,082
Interest expense	-	-	-	-	-	-	-	-	17,301	-	-	-	17,301
Bad debts	-	-	-	-	-	-	-	-	-	-	-	-	-
Fundraising allocation	-	-	-	-	-	-	-	-	-	-	170,602	-	170,602
Depreciation and amortization	-	-	-	193,185	-	-	-	257,238	26,106	-	-	660,953	1,137,482
Total Other Costs	<u>345,211</u>	<u>56,306</u>	<u>173,203</u>	<u>586,835</u>	<u>99,733</u>	<u>100,800</u>	<u>117,316</u>	<u>487,021</u>	<u>126,712</u>	<u>530,327</u>	<u>170,602</u>	<u>886,408</u>	<u>3,680,474</u>
Allocation of Administration and Building Services	<u>734,604</u>	<u>252,196</u>	<u>566,365</u>	<u>143,216</u>	<u>166,992</u>	<u>203,970</u>	<u>88,131</u>	<u>(90,583)</u>	<u>(50,808)</u>	<u>(937,155)</u>	<u>-</u>	<u>(1,391,254)</u>	<u>(314,326)</u>
Total Expenses	<u>\$ 2,373,406</u>	<u>\$ 456,322</u>	<u>\$ 1,224,808</u>	<u>\$ 944,291</u>	<u>\$ 566,329</u>	<u>\$ 1,066,867</u>	<u>\$ 452,935</u>	<u>\$ 500,238</u>	<u>\$ 88,165</u>	<u>\$ 459,860</u>	<u>\$ 314,328</u>	<u>\$ -</u>	<u>\$ 8,447,549</u>

See accompanying notes to financial statements.

YWCA OF CENTRAL ALABAMA AND AFFILIATES

**Combined Statement of Functional Expenses
For the Year Ended December 31, 2016**

								Housing		Support Services			
	Domestic Violence Services	Child Care	Day Care	Residency	Day Care for Homeless	Social Justice	Interfaith	YW Homes, Inc.	YW Four Winds East, LLC	Administrative	Development	Building Services	Total
Payroll and Related Costs													
Salaries and wages	\$ 930,234	\$ 87,566	\$ 464,829	\$ 187,294	\$ 176,359	\$ 668,170	\$ 176,306	\$ 131,360	\$ 11,770	\$ 794,920	\$ 143,726	\$ 401,141	\$ 4,173,675
Employee benefits and other costs	199,827	6,994	96,710	38,203	33,926	75,385	38,171	22,885	-	79,456	-	79,071	670,628
Payroll taxes	65,624	6,553	33,423	13,320	13,201	55,119	12,519	9,935	-	61,166	-	29,437	300,297
Total Payroll and Related Costs	<u>1,195,685</u>	<u>101,113</u>	<u>594,962</u>	<u>238,817</u>	<u>223,486</u>	<u>798,674</u>	<u>226,996</u>	<u>164,180</u>	<u>11,770</u>	<u>935,542</u>	<u>143,726</u>	<u>509,649</u>	<u>5,144,600</u>
Other Costs													
Professional fees	45,488	2,346	4,719	8,242	2,224	32,239	1,696	38,966	20,971	199,784	-	731	357,406
Office supplies	18,227	4,468	28,089	9,804	18,831	29,068	8,658	24,232	-	43,084	-	6,422	190,883
Client expenses	39,769	5,111	75,884	4,200	33,756	9,478	24,655	-	-	22,359	-	1,751	216,963
Telephone	19,805	-	238	13,608	238	335	12,576	75	-	23,930	-	13,714	84,519
Postage	388	-	16	49	-	379	-	-	-	10,175	-	-	11,007
Occupancy	79,345	112	21,772	290,480	12,141	5,058	53,929	136,515	58,932	13,493	-	292,661	964,438
Equipment rental and maintenance	1,160	-	698	18,043	-	215	2,358	1,607	-	18,736	-	11,468	54,285
Printing/photography	2,054	24	389	1,257	1,094	1,724	-	-	-	21,387	-	-	27,929
Special events	75	-	-	-	6,663	6,165	-	3,856	-	159,577	-	-	176,336
Vehicle	35,110	18,634	2,849	5,791	2,051	6,963	2,480	4,125	-	8,065	-	19,923	105,991
Conferences/ meetings	1,133	887	6,170	2,611	2,514	13,229	100	3,004	-	16,022	-	-	45,670
Client assistance	29,727	-	-	2,551	-	-	1,723	3,536	-	16,602	-	-	54,139
Dues and subscriptions	1,270	-	702	-	59	7	142	200	-	11,152	-	208	13,740
National dues	-	-	-	-	-	-	-	-	-	38,365	-	-	38,365
Contributions	-	-	-	-	-	-	-	-	-	2,850	-	-	2,850
Licenses and taxes	-	-	117	238	117	-	-	544	2,991	685	-	327	5,019
Other	1,343	-	330	-	-	2,116	-	-	5,841	16,522	-	1,060	27,212
Professional insurance	2,880	-	-	-	-	-	-	-	-	3,159	-	-	6,039
Interest expense	-	-	-	-	-	-	-	-	16,687	1,371	-	-	18,058
Bad debts	-	-	-	-	-	-	-	-	-	-	-	-	-
Fundraising allocation	-	-	-	-	-	-	-	-	-	-	163,121	-	163,121
Depreciation and amortization	-	-	-	193,543	-	-	-	256,878	25,246	-	-	681,954	1,157,621
Total Other Costs	<u>277,774</u>	<u>31,582</u>	<u>141,973</u>	<u>550,417</u>	<u>79,688</u>	<u>106,976</u>	<u>108,317</u>	<u>473,538</u>	<u>130,668</u>	<u>627,318</u>	<u>163,121</u>	<u>1,030,219</u>	<u>3,721,591</u>
Allocation of Administration and Building Services	<u>793,758</u>	<u>264,273</u>	<u>657,272</u>	<u>159,104</u>	<u>171,458</u>	<u>242,619</u>	<u>92,913</u>	<u>(146,347)</u>	<u>(47,154)</u>	<u>(954,873)</u>	<u>-</u>	<u>(1,539,868)</u>	<u>(306,845)</u>
Total Expenses	<u>\$ 2,267,217</u>	<u>\$ 396,968</u>	<u>\$ 1,394,207</u>	<u>\$ 948,338</u>	<u>\$ 474,632</u>	<u>\$ 1,148,269</u>	<u>\$ 428,226</u>	<u>\$ 491,371</u>	<u>\$ 95,284</u>	<u>\$ 607,987</u>	<u>\$ 306,847</u>	<u>\$ -</u>	<u>\$ 8,559,346</u>

See accompanying notes to financial statements.

YWCA OF CENTRAL ALABAMA AND AFFILIATES

**Combined Statements of Cash Flows
For the Years Ended**

	December 31,	
	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 2,372,261	\$ (1,662,204)
Adjustments to reconcile change in net assets:		
Depreciation and amortization	1,137,482	1,157,622
(Gain)/loss on sale of investments	(178,884)	(89,928)
(Gain)/loss on sale of fixed assets	-	2,564
Change in operating assets and operating liabilities:		
Deposits	167	2,883
Grants receivable	(65,217)	35,278
Pledge receivable	(2,554,240)	-
Other receivables	69	5,517
Prepaid expenses	(4,113)	18,054
Other assets	-	1,371
Accounts payable	(4,798)	(3,418)
Bank overdraft	(3,540)	3,540
Interest payable	2,482	(2,407)
Accrued salaries and wages	(24,183)	(18,564)
Prepaid rent	(4)	729
Payroll taxes payable	2,106	(1,804)
Deferred revenue	(7,117)	45,125
Tenant deposits	6,061	4,936
Net Cash (Used) by Operating Activities	<u>678,532</u>	<u>(500,706)</u>
Cash Flows From Investing Activities		
Net purchase of investments and reinvested interest	(169,792)	(157,567)
Proceeds from sale of investments	155,412	598,703
Acquisition of property and equipment	(72,301)	(151,402)
Net activity of escrow and reserve accounts	1,145	95
Net withdrawals from reserve replacement	17,610	20,188
Collections on mortgages receivable	767	1,627
Net Cash Provided/(Used) by Investing Activities	<u>\$ (67,159)</u>	<u>\$ 311,644</u>

See accompanying notes to financial statements.

YWCA OF CENTRAL ALABAMA AND AFFILIATES**Combined Statements of Cash Flows (continued)
For the Years Ended**

	December 31,	
	<u>2017</u>	<u>2016</u>
Cash Flows From Financing Activities		
Payments of construction advances	\$ -	\$ (10,000)
Principal payments on mortgages and notes payable	(50,969)	(75,546)
Change in due from related party	<u>-</u>	<u>(5,516)</u>
Net Cash (Used) by Financing Activities	<u>(50,969)</u>	<u>(91,062)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	560,404	(280,124)
Cash and Cash Equivalents, Beginning of Year	<u>1,226,788</u>	<u>1,506,912</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,787,192</u>	<u>\$ 1,226,788</u>
Supplemental Cash Flows Information		
Interest paid	<u>\$ 13,798</u>	<u>\$ 18,058</u>

See accompanying notes to financial statements.

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Notes to Combined Financial Statements For the Years Ended December 31, 2017 and 2016

Note 1 – Summary of Significant Accounting Policies

Principles of Combination – The accompanying combined financial statements include the accounts of the YWCA of Central Alabama (the YWCA), YW Homes, Inc. (the YWH), and YW Four Winds East, LLC (the FW). The entities are all under common control. All material intercompany accounts and transactions have been eliminated in the accompanying combined financial statements.

Financial Statement Presentation – The combined entity 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. The YWCA currently does not have any net assets that are permanently restricted.

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 to contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting – The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with *Generally Accepted Accounting Principles*.

Cash and Cash Equivalents – For purposes of the combined statement of cash flows, the YWCA considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash and equivalents exclude deposits.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the combined statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor 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. Marketable securities that are donated are recorded at market value as of the date received. At December 31, 2017, the YWCA investment portfolio included certificates of deposit, which cost approximates fair value, and money market accounts, which are recorded at fair value.

Accounts Receivable – Management believes all accounts are currently collectible; therefore, there is no allowance for doubtful accounts. The carrying amount reported in the Statement of Financial Position approximates fair value because of the short maturity of those instruments. Recoveries of previously written-off accounts are netted against the amount written-off for the period.

Pledge Receivable – Contributions are recognized when a donor makes a promise to give to the YWCA 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. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Unconditional promises to give that are expected to be received within one year of the date of the promise are recorded as net realizable value. Unconditional promises to give that are expected to be collected later than one year from the date of promises to give are recorded at the present value of their estimated future cash flows. The discounts on those cash flows are computed using a risk-free rate of return applicable to the period over which the promises will be received. Amortization of the discounts is recognized as contribution revenue.

See independent auditor's opinion

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Notes to Combined Financial Statements (continued) For the Years Ended December 31, 2017 and 2016

Note 1 – Summary of Significant Accounting Policies (continued)

Allowance for Doubtful Accounts – Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At December 31, 2017, management believes all accounts are collectible and there has been no valuation allowance recorded.

Mortgages Receivable – Mortgages receivable are recorded as assets in the financial statements at their principal amounts, net of amounts deemed uncollectible. At December 31, 2017, management feels that all amounts are collectible. Interest is amortized to income using the effective interest method over the remaining mortgage periods, adjusted for anticipated prepayments. Loans are considered impaired if full principal or interest payments are not anticipated in accordance with the contractual terms. The YWCA's practice is to charge off any loan or portion of a loan when the loan is determined by management to be uncollectible due to the borrower's failure to meet repayment terms, the borrower's deteriorating or deteriorated financial condition, the depreciation of the underlying collateral, or for other reasons.

Mortgage loans are placed on nonaccrual when management believes, after considering economic conditions, business conditions and collection efforts that the loans are impaired or collection of interest is doubtful.

Property and Equipment – Property and equipment is carried at cost less accumulated depreciation and includes expenditures which substantially increase the useful lives of existing property and equipment. Maintenance, repairs and minor renovations are charged to expense as incurred. When property and equipment is retired or otherwise disposed, the related costs and accumulated depreciation are removed from the respective accounts, and the gain or loss on the disposition is credited or charged to income.

The YWCA provides for depreciation using the straight-line method to amortize costs over estimated useful lives as follows:

<u>Item</u>	<u>Estimated Useful Life</u>
Building	39
Building improvements	10-20
Land improvements	20
Furniture and equipment	5-10
Vehicles	3

Donated Property and Equipment – Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions, regarding their use and contributions of cash that must be used to acquire property and equipment, are reported as restricted contributions. Absent of donor stipulations regarding how long those donated assets must be maintained, the YWCA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The YWCA reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Land and Real Estate Held for Future Development – Land and real estate held for future development is carried at cost. A developer's fee is recorded upon the completion and transfer of a home.

See independent auditor's opinion

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Notes to Combined Financial Statements (continued) For the Years Ended December 31, 2017 and 2016

Note 1 – Summary of Significant Accounting Policies (continued)

Grant Revenue – Grant revenue is recognized as costs incurred, qualified under the grants. Grant funds received in excess of reimbursable grant costs incurred are recorded as refundable advances until earned. Reimbursable grant costs incurred in excess of grant funds received are recorded as receivables.

Client Revenue – The YWCA considers client income when it becomes due. Payments received in advance are deferred until earned. For the rental, all leases between the YWCA and the tenants of the property are operating leases.

Expense Allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the combined statement of activities and in the combined statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes – The YWCA and YWH are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The YWCA is a foundation described in section 509(a)(2) of the Internal Revenue Code. The FW is a for-profit organization that is disregarded for tax purposes.

As of December 31, 2017, the YWCA had no uncertain tax positions that qualify for disclosure in the financial statements. The YWCA files an annual Form 990 with the Internal Revenue Service and its tax returns for the year 2015 and subsequent years remain subject to examination by tax authorities.

Fair Value Measurements - Fair value for financial reporting purposes is the price that would be received to sell an asset or paid to transfer a liability in an orderly market transaction between market participants at the measurement date (reporting date). Fair value is based on an exit price in the principal market or most advantageous market in which the reporting entity could transact. For each asset or liability required to be reported at fair value, management has identified the unit of account and valuation premise to be applied for purposes of measuring fair value. The unit of account is the level at which an asset or liability is aggregated or disaggregated. The valuation premise is a concept that determines whether an asset is measured on a stand-alone basis or in combination with other assets. The Organization measures its assets and liabilities on a stand-alone basis, then aggregates assets and liabilities with similar characteristics for disclosure purposes.

The hierarchy for inputs used in measuring fair value maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the YWCA. Unobservable inputs are inputs that reflect the Organization's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

See independent auditor's opinion

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Notes to Combined Financial Statements (continued) For the Years Ended December 31, 2017 and 2016

Note 1 – Summary of Significant Accounting Policies (continued)

- Level 2 - Valuations based on observable inputs, including quoted prices (other than Level 1) in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, such as interest rates, yield curves, volatilities, and default rates, and inputs that are derived principally from or corroborated by observable market data.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Designated Net Assets – The Board of Directors of the YWCA designate a discretionary amount of unrestricted public support and revenue for future building repairs, maintenance and improvements. The cumulative amount the Board of Directors designated as of December 31, 2017 and 2016 was \$34,821 and \$34,791, respectively.

The Board of Directors maintains control of these funds and may, at its discretion, subsequently use funds for other purposes. Amounts set aside are included in unrestricted net assets in the accompanying combined statements of financial position. As of December 31, 2017, the aforementioned designated funds were included in cash and cash equivalents in the accompanying combined statements of financial position.

Reclassifications – Certain reclassifications have been made to the 2015 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Recent Pronouncements - On August 18, 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The new guidance simplifies and improves how not-for-profit entities classify net assets as well as the information presented in financial statements and notes about liquidity, financial performance and cash flows. The provisions of the update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017.

In February 2016, the Financial Accounting Standards Board ("FASB" or "the Board") issued a new leasing standard in ASU 2016-02 ("Topic 842" or "the new standard") for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use ("ROU") assets and related lease liabilities on the balance sheet for all arrangements with terms longer than 12 months. The pattern of expense recognition in the income statement will depend on a lease's classification. The provisions of this update are effective for the fiscal years beginning after December 15, 2018. Management is evaluating the new accounting pronouncements and its applicability to the Organization.

Note 2 – Cash and Cash Equivalents

As of December 31, 2017 and 2016, cash and cash equivalents totaled \$1,787,192 and \$1,226,788, respectively, in the accompanying combined statements of financial position. At December 31, 2017, \$468,796 was restricted for Building Improvements. At December 31, 2016, \$343,223 and \$71 were restricted for the Building Improvements and the Residency Program, respectively.

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Notes to Combined Financial Statements (continued) For the Years Ended December 31, 2017 and 2016

Note 3 – Investments

Investments with readily determinable fair values are carried at fair value based upon quoted prices in active markets. Investments are summarized as follows:

<u>December 31, 2017</u>		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Fair Value</u>			
Mutual funds	\$ 2,148,558	\$ 2,148,558	\$ -	\$ -
Total Investments at fair value	<u>\$ 2,148,558</u>	<u>\$ 2,148,558</u>	<u>\$ -</u>	<u>\$ -</u>

<u>December 31, 2016</u>		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Fair Value</u>			
Mutual Funds	\$ 1,953,659	\$ 1,953,659	\$ -	\$ -
Total Investments at fair value	<u>\$ 1,953,659</u>	<u>\$ 1,953,659</u>	<u>\$ -</u>	<u>\$ -</u>

Investments held at cost consist of certificates of deposit at December 31, 2017 totaling \$63,185 and bear interest between 0.25% and 0.35% with maturities of 1 to 6 months. As of December 31, 2016, the certificates of deposit total \$63,019 and bear interest between 0.25% and 0.35% with maturities of 1 to 6 months. These funds are restricted for building improvements for the YWCA and YWH Rental Projects.

Level 1 assets consist of cash and cash equivalents and marketable securities, and are carried at fair value based on quoted prices in active markets. Market risk could occur and is dependent upon the future changes in market prices of the various investments held.

The following schedule summarizes the investment return and its classification in the Combined Statement of Activities:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>December 31, 2017</u>			
Interest	\$ 1,156	\$ -	\$ 1,156
Net unrealized gains/(losses)	-	180,715	180,715
Total Investment Income	<u>\$ 1,156</u>	<u>\$ 180,715</u>	<u>\$ 181,871</u>
<u>December 31, 2016</u>			
Interest	\$ 1,891	\$ -	\$ 1,891
Net unrealized gains/(losses)	-	89,928	89,928
Total Investment Income	<u>\$ 1,891</u>	<u>\$ 89,928</u>	<u>\$ 91,819</u>

See independent auditor's opinion

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Notes to Combined Financial Statements (continued) For the Years Ended December 31, 2017 and 2016

Note 4 – Pledges Receivable

Pledges receivable consists of unconditional promises to give for the YW Investors campaign that began in 2017. Pledges receivable to be received over the next two year consists of the following for December 31:

2018	\$ 1,609,394
2019	<u>960,726</u>
	2,570,120
Less: Discount to present value	(15,580)
Pledges receivable, net	<u>\$ 2,554,540</u>

Unconditional promises to give receivable in more than one year are discounted at 3.25%. As of the Statement of Financial Position date, no allowance for doubtful accounts was considered necessary.

Note 5 – Property and Equipment

Property and equipment consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Building	\$ 20,437,590	\$ 20,422,868
Building improvements	4,501,366	4,458,113
Land	1,107,029	1,107,029
Land improvements	918,072	918,072
Furniture and equipment	1,609,576	1,601,849
Vehicles	<u>290,375</u>	<u>290,375</u>
	28,864,008	28,798,306
Less: Accumulated depreciation	<u>(14,049,335)</u>	<u>(12,924,267)</u>
Total Property and Equipment, net	<u>\$ 14,814,673</u>	<u>\$ 15,874,039</u>

Depreciation expense for the years ended December 31, 2017 and 2016 was \$1,137,482 and \$1,157,622, respectively.

See independent auditor's opinion

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Notes to Combined Financial Statements (continued) For the Years Ended December 31, 2017 and 2016

Note 6 – Mortgage Payable

YW Four Winds East, LLC	<u>2017</u>	<u>2016</u>
A 6.625% fixed mortgage payable to Berkadia Commercial Mortgage due in monthly installments of \$1,702, including interest, through June 2034. Substantially all of the property and equipment is pledged as collateral. In addition, monthly deposits for insurance and replacement of depreciable assets are required.	\$ 204,640	\$ 211,266
A 1.50% fixed rate mortgage payable to the Department of Housing and Urban Development, secured by the same property as above as a second lien, due in monthly installments of \$589, including interest, through June 15, 2034. Per the loan agreement, payments are due based upon available operating surplus cash.	<u>89,925</u>	<u>89,925</u>
Mortgage payable for the Four Winds East, LLC	<u>\$ 294,565</u>	<u>\$ 301,191</u>
YWCA		
A mortgage payable to the Office of the City of Birmingham Community Development, secured by YWCA rental property and shelter. Per the loan agreements, repayment does not commence until 2025. If the mortgage covenants are met, \$1,159,725 will be payable at 0.5% interest.	\$ 1,159,725	\$ 1,159,725
A mortgage payable to the City of Birmingham, due in monthly installments of \$2,766 through January 1, 2020. The Note is non-interest bearing and secured by a first mortgage on substantially all of the Partnership's property.	71,923	105,118
A mortgage payable to the City of Birmingham, secured by a second mortgage on substantially all of the Organization's property. The Note is non-interest bearing and will be forgiven on the maturity date of January 1, 2020.	<u>369,939</u>	<u>369,939</u>
Mortgage payable for the YWCA	<u>\$ 1,601,587</u>	<u>\$ 1,634,782</u>
YW Homes		
A mortgage payable to the Office of Jefferson County Community Development, secured by the YWH rental properties. If the mortgage covenants continue to be met, the obligation will be \$236,766 at 0%. The remaining outstanding balance of \$353,325 will be forgiven on November 16, 2024.	\$ 569,216	\$ 580,091
A mortgage payable to Alabama Housing Financing Authority, secured by the YWH rental properties. Per loan agreement, repayment does not commence until 2024. If the mortgage covenants are met, the obligation of \$458,502 will be forgiven. If not met, the entire amount will be payable in a lump sum plus accrued interest at .5%.	<u>458,502</u>	<u>458,502</u>
Mortgage payable for the YW Homes	<u>\$ 1,027,718</u>	<u>\$ 1,038,593</u>
Total Mortgage Payable	<u>\$ 2,923,870</u>	<u>\$ 2,974,566</u>

See independent auditor's opinion

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Notes to Combined Financial Statements (continued) For the Years Ended December 31, 2017 and 2016

Note 6 – Mortgage Payable (continued)

Loan maturities for the year ending December 31, 2017, each of the five years and thereafter are as follows:

2018	\$ 50,302
2019	50,787
2020	23,644
2021	18,863
2022	19,255
Thereafter	<u>2,761,019</u>
	<u>\$2,923,870</u>

For the year ended December 31, 2017 and 2016 the interest expense was \$17,301 and \$18,058, respectively.

On January 30, 2007, the YWCA entered into an agreement with the City of Birmingham (the City) to renovate and operate a 24 unit apartment building for low/moderate income, multi-family residents. The City agreed to provide financing in the amount of \$320,000. The mortgage shall mature on June 21, 2022, with the \$320,000 to be deferred and forgiven provided that the recipient complies with the terms of this agreement and is not in default under the mortgage. Management has complied to date with the agreement and believes the economic substance of this agreement is a grant of \$320,000, which has been included in revenue in prior years.

YW Homes purchased three apartment buildings to rehabilitate for low income individuals through the U.S. Department of Housing and Urban Development HOME grant program administered by the City of Birmingham. As of December 31, 2017, the outstanding loan advance is \$4,093,259. When the loan advance converts to permanent financing, it will have a 20 year term with 0% interest. The loan will be forgiven if the Organization is compliant with the terms of the agreement.

Note 7 – Operating Leases

The YWCA leases office space under an annual contract ending December 31, 2017. Also, the YWCA leases a storage warehouse under a lease with no expiration date and cancelable with 30 days' notice. The total rent expense recognized for these facilities was \$4,140 in 2017.

The YWCA leases office equipment under non-cancelable operating leases with various expirations ranging from 2017 to 2020. The total lease expense for the office equipment was \$17,437 in 2017.

The minimum lease payments required under the above equipment leases for the year ended December 31, 2017 are as follows:

2018	\$ 15,785
2019	12,934
2020	<u>5,149</u>
	<u>\$ 33,868</u>

See independent auditor's opinion

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Notes to Combined Financial Statements (continued) For the Years Ended December 31, 2017 and 2016

Note 8 – Restrictions of Net Assets

Unrestricted board-designated net assets consist of funds held for investment purposes. The total amount of funds designated at December 31, 2017 and 2016 was \$1,396,365 and \$1,259,225, respectively.

Temporarily restricted net assets were available for the following purposes at December 31:

	<u>2017</u>	<u>2016</u>
Residency program	\$ -	\$ 71
Major gifts campaign receivables	2,554,540	-
Building improvements	1,308,361	1,525,896
Donated property for future housing	28,580	28,580
	<u>\$ 3,891,481</u>	<u>\$ 1,554,547</u>

Note 9 – Retirement Plan

The YWCA has a defined contribution pension plan. All employees, 21 years of age or over, are eligible to participate. After one year or more of service, providing 1,000 or more hours of service annually, the YWCA makes contributions to the plan at a rate of three percent of each eligible employee's salary. Retirement expense for the years ended December 31, 2017 and 2016 was \$67,310 and \$85,857, respectively.

Note 10 – Commitments and Contingencies

The affiliates, as well as the YWCA Central Alabama, operate in a heavily regulated environment. The operations are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an Act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

The YWH purchased two apartment buildings to rehabilitate for low income individuals through financing by the U.S. Department of Housing and Urban Development HOME program administered by the City of Birmingham.

At December 31, 2017 and 2016, the outstanding construction advance was \$4,093,259 and \$4,093,259, respectively. When the loan converts to permanent financing, the loan will have a 20 year term with 0% interest. At the end of the term the loan balance will be forgiven if the YWH remains compliant with the rules and regulations.

During September 2016, a lawsuit was filed against YWCA of Central Alabama and YW Four Winds East, LLC. While the ultimate outcome of this matter is not presently determinable, it is the opinion of management that the resolution of outstanding claims will not have a material adverse effect on the financial position or results of operations of the Organization.

Note 11 – Trust and Endowment Funds

The Greater Birmingham Community Foundation of Birmingham, Alabama has funds in the name of YWCA of Central Alabama totaling \$953,344 at December 31, 2017. The Community Foundation has variance power over these funds; thus, they are not consolidated in the financial statements.

See independent auditor's opinion

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Notes to Combined Financial Statements (continued) For the Years Ended December 31, 2017 and 2016

Note 12 – Concentrations of Credit Risk

The YWCA maintains cash and investment balances at several financial institutions located in Birmingham, Alabama. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 and by the Securities Investor Protection Corporation up to \$500,000. At December 31, 2017 and 2016, the YWCA had \$1,940,793 and \$1,171,466, respectively, in cash and investments above insured limits.

The YWCA maintains its cash with high quality financial institutions, which the YWCA believes limits these risks. Other concentrations of credit risk include:

- Market risk could occur and is dependent on future changes in market prices of the various investments held.
- The YW Four Winds East and the YW Homes' operations are concentrated in the real estate market.
- The YWCA receives approximately 15% of its support from the United Way.

Note 13 – Subsequent Events

On August 17, 2018, the YWCA entered into a contract to sell YW Four Winds East, LLC. The sale including all assets of YW Four Winds East, LLC., and all debt associated with it has been transferred to the buyer.

The YWCA has evaluated subsequent events through **REPORT DATE**, the date which the financial statements were available for issue.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
YWCA of Central Alabama and Affiliates
Birmingham, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of YWCA of Central Alabama and Affiliates, a nonprofit organization (the YWCA), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated REPORT DATE.

Internal Control over Financial Reporting

Management of the YWCA is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the YWCA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the YWCA's internal control. Accordingly, we do not express an opinion on the effectiveness of the YWCA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency; item 2018-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the YWCA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion of the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Borland Benefield, P.C.
Birmingham, Alabama
REPORT DATE

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
YWCA of Central Alabama and Affiliates
Birmingham, Alabama

Report on Compliance for Each Major Federal Program

We have audited the YWCA compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the YWCA's major federal programs for the year ended December 31, 2017. The YWCA major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the YWCA of Central Alabama federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the YWCA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the YWCA's compliance.

Opinion on Each Major Federal Program

In our opinion, the YWCA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of YWCA of Central Alabama and Affiliates is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the YWCA internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the YWCA's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Borland Benefield, P.C.
Birmingham, Alabama
July 6, 2017

YWCA OF CENTRAL ALABAMA AND AFFILIATES

**Combined Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017**

Federal Grantor/Pass-Through Grantor/Program or Title	Federal CFDA No.	Pass-Through/Local Grantor Number	Revenue Recognized	Federal Expenditures
U.S. Department of Agriculture				
Passed through the State of Alabama				
Department of Education				
Child and Adult Care Food Program	10.558	A97-0000	\$ 64,506	\$ 64,506
Summer Food Service Program for Children	10.559	A97-0000	6,813	6,813
TOTAL U.S. DEPARTMENT OF AGRICULTURE			\$ 71,319	\$ 71,319
U.S. Department of Housing and Urban Development				
Passed through the City of Birmingham, Alabama				
Emergency Shelter Grants Program	14.231	HUD ESG/PY 42	\$ 18,125	\$ 18,125
	14.231	HUD ESG/PY 43	18,350	18,350
	14.231	HUD ESG/PY 42 IHH	13,189	13,189
	14.231	HUD ESG/PY 43 IHH	27,792	27,792
	14.231	HESG PY 42	26,470	26,470
Passed through the Alabama Department of Economic and Community Affairs				
Emergency Shelter Grants Program	14.231	HESG-16-005	269,510	269,510
	14.231	HESG-17-007	6,005	6,005
Passed through City of Birmingham, Alabama				
Community Development Block Grant Program (Entitlement Grant)	14.218	CDBG/PY 42 IHH	12,068	12,068
	14.218	CDBG/PY 43 IHH	20,843	20,843
	14.218	CDBG/PY 42 TRANSPORTATION	5,114	5,114
	14.218	CDBG/PY 43 TRANSPORTATION	10,283	10,283
	14.218	CDBG/PY 42	18,281	18,281
	14.218	CDBG/PY 43	14,008	14,008
Passed through City of Birmingham, Alabama				
HOME Investment Partnerships	14.239	Community Housing Development	5,252,984	5,252,984
Passed through Jefferson County, Alabama				
Section 8 Housing Assistance	14.195	AL090001020	89,952	89,952
Section 8 Housing Assistance	14.195	AL090001020	294,565	294,565
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ 6,097,539	\$ 6,097,539

YWCA OF CENTRAL ALABAMA AND AFFILIATES

**Combined Schedule of Expenditures of Federal Awards (continued)
For the Year Ended December 31, 2017**

Federal Grantor/Pass-Through Grantor/Program or Title	Federal CFDA No.	Pass-Through/Local Grantor Number	Revenue Recognized	Federal Expenditures
U.S. Department of Justice				
Passed through the Alabama Department of Economic and Community Affairs - Law Enforcement Planning Division				
Crime Victim Assistance	16.575	13-VA-SH-054	\$ 146,622	\$ 146,622
	16.575	15-VA-UN-002	194,712	194,712
	16.575	15-VA-UN-019	245,356	245,356
Violence Against Women Formula Grants	16.588	16-WF-VS-006	53,000	53,000
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	2016-WH-AX-0010	95,879	95,879
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>735,569</u>	<u>735,569</u>
Corporation for National and Community Service				
Passed through the Alabama Governor's office Americorps	94.006	06AFHAL0010009		
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			<u>532,250</u>	<u>532,250</u>
U.S. Department of Health and Human Services				
Family Violence Prevention and Services/Battered Women's Shelters	93.671	16-FV-VS-014	71,601	71,601
	93.671	17-FV-VS-028	26,093	26,093
Passed through JCCEO - Head Start Program	93.600	Headstart	200,431	200,431
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>298,125</u>	<u>298,125</u>
U.S. Department of Homeland Security				
Emergency Food and Shelter National Board Program	97.024	FEMA--33 LRO 15400-008	2,000	2,000
		FEMA--34 LRO 000601-007	28,794	28,794
		FEMA--33 LRO 000601-007	12,872	12,872
		FEMA--34 LRO 015400-008	2,615	2,615
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>46,281</u>	<u>46,281</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 7,781,083</u>	<u>\$ 7,781,083</u>

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Notes to Combined Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2017

NOTE A – BASIS OF ACCOUNTING

The accompanying combined schedule of expenditures of federal awards (the Schedule) includes the federal award activity of YWCA of Central Alabama and Affiliates under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of YWCA of Central Alabama and Affiliates, it is not intended to and does not present the financial position, changes in net assets, or cash flows of YWCA of Central Alabama and Affiliates.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- 2) In 2017, YWCA of Central Alabama and Affiliates has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – FEDERAL LOAN PROGRAMS

The federal loan program, HOME Investment Partnerships, listed subsequently is administered directly by the City of Birmingham, Alabama. Balances and transactions relating to these programs are included in YWCA of Central Alabama and Affiliates basic financial statements. Loans outstanding at the beginning of the year and loans received during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at December 31, 2017 consists of:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Outstanding Balance December 31, 2017</u>
14.239	HOME Investment Partnerships	\$ 5,252,984
14.195	Section 8 Housing Assistance	\$ 294,565

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:
Material weakness(es) identified? yes X no

Significant deficiencies identified that are not considered to be material weaknesses? yes X no

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? yes X no

Significant deficiencies identified that are not considered to be material weaknesses? X yes no

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with
2 CFR section 200.516(a) of the Uniform Guidance? yes X no

Identification of major programs:
U.S. Department of Housing and Urban Development
CFDA# 14.239 - Home Investment Partnerships Program
CFDA# 14.195 - Section 8 Housing Assistance Payments
CFDA# 14.231 - Emergency Shelter Grants Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2017

Section II - Financial Statement Findings

2017-1 Misappropriation of Day Care Tuition Receipts

Condition: YWCA management failed to appropriately maintain and monitor accounts receivable ledger for the day care tuition. Management did not disclose that such reports exist to the external auditors and therefore, were not reviewed as part of the audit.

Criteria: Accounts receivables ledgers should be maintained and monitored in order to adequately track payments for tuition.

Cause: Monitoring and oversight procedures were not adhered to by management charged with those duties.

Effect: Day care payments were accounted for incorrectly and were subjected to misappropriation by the director of the day care.

Recommendation: The YWCA should maintain a ledger that tracks accounts receivable for the day care program and monitor this on a routine and monthly basis.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and the recommended procedures have been implemented. After the discovery, the director of the day care was terminated and authorities were notified.

Section III - Federal Award Findings and Questioned Costs

None Reported

Prior Audit Findings

There were no audit findings noted in the prior year.

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Combining Statement of Financial Position For the Year Ended December 31, 2017

	YWCA Central Alabama	YW Homes, Inc.	YW Four Winds East, LLC	Total	Intercompany Eliminations	Combined Total
Assets						
Cash and cash equivalents	\$ 1,318,396	\$ 462,307	\$ 6,489	\$ 1,787,192	\$ -	\$ 1,787,192
Investments	2,203,677	8,066	-	2,211,743	-	2,211,743
Investments - related party	51,367	-	-	51,367	(51,367)	-
Deposits	3,177	9,892	51,415	64,484	-	64,484
Accounts receivable	4,148	2,515	-	6,663	-	6,663
Grants and contracts receivable	537,152	-	-	537,152	-	537,152
Mortgages receivable	-	9,856	-	9,856	-	9,856
Prepaid expenses	15,463	-	561	16,024	-	16,024
Due from related party - combined	154,569	-	-	154,569	(154,569)	-
Other assets, net	-	-	1,040	1,040	-	1,040
Pledge receivable, net	2,554,540	-	-	2,554,540	-	2,554,540
Property and equipment, net	8,814,051	5,620,896	379,726	14,814,673	-	14,814,673
Total Assets	\$ 15,656,540	\$ 6,113,532	\$ 439,231	\$ 22,209,303	\$ (205,936)	\$ 22,003,367
Liabilities and Net Assets						
Liabilities						
Accounts payable	\$ 92,633	\$ 2,582	\$ 7,700	\$ 102,915	\$ -	\$ 102,915
Payroll taxes and amounts withheld from employees	24,141	-	-	24,141	-	24,141
Accrued salaries and wages	183,142	-	-	183,142	-	183,142
Accrued interest	-	32,538	5,096	37,634	-	37,634
Mortgage payable	1,601,587	1,027,718	294,565	2,923,870	-	2,923,870
Advances from development agreement	-	4,093,259	-	4,093,259	-	4,093,259
Deferred revenue	70,839	1,974	0	72,813	-	72,813
Tenant deposits	24,981	20,773	3,728	49,482	-	49,482
Due to related party - combined	-	68,074	86,495	154,569	(154,569)	-
Accrued management fee	-	-	8,830	8,830	-	8,830
Total Liabilities	1,997,323	5,246,918	406,414	7,650,655	(154,569)	7,496,086
Net Assets						
Unrestricted	8,399,951	838,034	32,817	9,270,802	(51,367)	9,219,435
Unrestricted - designated	1,396,365	-	-	1,396,365	-	1,396,365
Temporarily restricted	3,862,901	28,580	-	3,891,481	-	3,891,481
Total Net Assets	13,659,217	866,614	32,817	14,558,648	(51,367)	14,507,281
Total Liabilities and Net Assets	\$ 15,656,540	\$ 6,113,532	\$ 439,231	\$ 22,209,303	\$ (205,936)	\$ 22,003,367

YWCA OF CENTRAL ALABAMA AND AFFILIATES

Combining Statement of Financial Position For the Year Ended December 31, 2016

	<u>YWCA Central Alabama</u>	<u>YW Homes, Inc.</u>	<u>YW Four Winds East, LLC</u>	<u>Total</u>	<u>Intercompany Eliminations</u>	<u>Combined Total</u>
Assets						
Cash and cash equivalents	\$ 875,686	\$ 351,102	\$ -	\$ 1,226,788	\$ -	1,226,788
Investments	2,008,612	8,066	-	2,016,678	-	2,016,678
Investments - related party	51,367	-	-	51,367	(51,367)	-
Deposits	2,768	9,888	70,745	83,401	-	83,401
Accounts receivable	6,312	420	-	6,732	-	6,732
Grants and contracts receivable	471,935	-	-	471,935	-	471,935
Mortgages receivable	-	10,623	-	10,623	-	10,623
Prepaid expenses	11,336	-	574	11,910	-	11,910
Due from related party - combined	145,162	-	-	145,162	(145,162)	-
Other assets, net	-	-	1,819	1,819	-	1,819
Property and equipment, net	<u>9,616,276</u>	<u>5,876,031</u>	<u>381,732</u>	<u>15,874,039</u>	<u>-</u>	<u>15,874,039</u>
	<u>\$ 13,189,453</u>	<u>\$ 6,256,130</u>	<u>\$ 454,870</u>	<u>\$ 19,900,453</u>	<u>\$ (196,529)</u>	<u>\$ 19,703,925</u>
Liabilities and Net Assets						
Liabilities						
Accounts payable	\$ 88,008	\$ 2,202	\$ 4,520	\$ 94,730	\$ -	\$ 94,730
Bank overdraft	-	-	3,540	3,540	-	3,540
Payroll taxes and amounts withheld from employees	22,035	-	-	22,035	-	22,035
Accrued salaries and wages	207,325	-	-	207,325	-	207,325
Accrued interest	-	32,538	2,614	35,152	-	35,152
Mortgage payable	1,634,782	1,038,593	301,191	2,974,566	-	2,974,566
Advances from the HUD HOME program	-	4,093,259	-	4,093,259	-	4,093,259
Deferred revenue	78,500	1,430	-	79,930	-	79,930
Tenants deposits	23,691	16,572	3,158	43,421	-	43,421
Due to related party - combined	-	75,297	69,865	145,162	(145,162)	-
Accrued management fee	-	4,934	10,013	14,947	-	14,947
Total Liabilities	<u>2,054,341</u>	<u>5,264,825</u>	<u>394,901</u>	<u>7,714,067</u>	<u>(145,162)</u>	<u>7,568,905</u>
Net Assets						
Unrestricted	8,349,920	962,725	59,969	9,372,615	(51,367)	9,321,248
Unrestricted - designated	1,259,225	-	-	1,259,225	-	1,259,225
Temporarily restricted	<u>1,525,967</u>	<u>28,580</u>	<u>-</u>	<u>1,554,547</u>	<u>-</u>	<u>1,554,547</u>
Total Net Assets	<u>11,135,112</u>	<u>991,305</u>	<u>59,969</u>	<u>12,186,387</u>	<u>(51,367)</u>	<u>12,135,020</u>
Total Liabilities and Net Assets	<u>\$ 13,189,453</u>	<u>\$ 6,256,130</u>	<u>\$ 454,870</u>	<u>\$ 19,900,454</u>	<u>\$ (196,529)</u>	<u>\$ 19,703,925</u>

YWCA OF CENTRAL ALABAMA AND AFFILIATES

**Combining Statement of Activities
For the Year Ended December 31, 2017**

	YWCA Central Alabama			YW Homes, Inc.			YW Four Winds, East, LLC	Total	Intercompany Eliminations	Combined Total			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Unrestricted	Temporarily Restricted	Unrestricted	Unrestricted	Temporarily Restricted	Total
Revenue, Gains and Other Support													
Federal awards	\$ -	\$ 2,130,706	\$ 2,130,706	\$ -	\$ -	\$ -	\$ 89,952	\$ 89,952	\$ 2,130,706	\$ -	\$ 89,952	\$ 2,130,706	\$ 2,220,658
United Way funding	1,567,244	-	1,567,244	-	-	-	-	1,567,244	-	-	1,567,244	-	1,567,244
Other grants	-	675,214	675,214	-	-	-	-	-	675,214	-	-	675,214	675,214
Special events	1,024,810	-	1,024,810	-	-	-	-	1,024,810	-	-	1,024,810	-	1,024,810
Contributions and donations	3,632,121	14,414	3,646,535	175,900	-	175,900	-	3,808,021	14,414	-	3,808,021	14,414	3,822,435
Program service fees	761,980	-	761,980	361,255	-	361,255	21,484	1,144,719	-	-	1,144,719	-	1,144,719
Membership and special projects	139,784	-	139,784	-	-	-	-	139,784	-	-	139,784	-	139,784
Miscellaneous income	42,710	-	42,710	-	-	-	365	43,075	-	-	43,075	-	43,075
Interest income	900	-	900	236	-	236	20	1,156	-	-	1,156	-	1,156
Management fee	71,262	-	71,262	-	-	-	-	71,262	-	(71,262)	-	-	-
Gain on investments	-	180,715	180,715	-	-	-	-	-	180,715	-	-	180,715	180,715
Net assets released from restrictions - expenditures made	664,115	(664,115)	-	-	-	-	-	664,115	(664,115)	-	664,115	(664,115)	-
Total Revenue, Gains and Other Support	7,904,926	2,336,934	10,241,860	537,391	-	537,391	111,821	8,554,138	2,336,934	(71,262)	8,482,876	2,336,934	10,819,810
Expenses													
Program Services													
Domestic violence services	2,373,406	-	2,373,406	-	-	-	-	2,373,406	-	-	2,373,406	-	2,373,406
Child care	456,322	-	456,322	-	-	-	-	456,322	-	-	456,322	-	456,322
Day care	1,224,808	-	1,224,808	-	-	-	-	1,224,808	-	-	1,224,808	-	1,224,808
Residency	944,291	-	944,291	-	-	-	-	944,291	-	-	944,291	-	944,291
Day care for homeless	566,329	-	566,329	-	-	-	-	566,329	-	-	566,329	-	566,329
Social justice	1,066,867	-	1,066,867	-	-	-	-	1,066,867	-	-	1,066,867	-	1,066,867
Interfaith	452,935	-	452,935	-	-	-	-	452,935	-	-	452,935	-	452,935
Housing	-	-	-	571,500	-	571,500	88,165	659,665	-	(71,262)	588,403	-	588,403
Total Program Services	7,084,958	-	7,084,958	571,500	-	571,500	88,165	7,744,623	-	(71,262)	7,673,361	-	7,673,361
Support Services													
Administrative	318,469	-	318,469	90,583	-	90,583	50,808	459,860	-	-	459,860	-	459,860
Development	314,328	-	314,328	-	-	-	-	314,328	-	-	314,328	-	314,328
Total Support Services	632,797	-	632,797	90,583	-	90,583	50,808	774,188	-	-	774,188	-	774,188
Total Expenses	7,717,755	-	7,717,755	662,083	-	662,083	138,973	8,518,811	-	(71,262)	8,447,549	-	8,447,549
Change in Net Assets	187,171	2,336,934	2,524,105	(124,692)	-	(124,692)	(27,152)	35,327	2,336,934	-	35,327	2,336,934	2,372,261
Net Assets, Beginning of Year	9,609,146	1,525,967	11,135,112	962,726	28,580	991,306	59,969	10,631,840	1,554,547	(51,367)	10,580,473	1,554,547	12,135,020
Net Assets, End of Year	\$ 9,796,317	\$ 3,862,901	\$ 13,659,217	\$ 838,034	\$ 28,580	\$ 866,614	\$ 32,817	\$ 10,667,167	\$ 3,891,481	\$ (51,367)	\$ 10,615,800	\$ 3,891,481	\$ 14,507,281

YWCA OF CENTRAL ALABAMA AND AFFILIATES

**Combining Statement of Activities
For the Year Ended December 31, 2016**

	YWCA Central Alabama			YW Homes, Inc.			YW Four Winds East, LLC	Total		Intercompany Eliminations	Combined Total		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Unrestricted	Unrestricted	Temporarily Restricted	Total	
Revenue, Gains and Other Support													
Program service fees	\$ 573,052	\$ -	\$ 573,052	\$ 300,183	\$ -	\$ 300,183	\$ 26,256	\$ 899,491	\$ -	\$ -	\$ 899,491	\$ -	\$ 899,491
Sales to public	20,479	-	20,479	-	-	-	-	20,479	-	-	20,479	-	20,479
Interest income	1,314	-	1,314	251	-	251	23	1,588	-	-	1,588	-	1,588
Management fee	60,945	-	60,945	-	-	-	-	60,945	-	(60,945)	-	-	-
Miscellaneous income	11,633	-	11,633	-	-	-	157	11,790	-	-	11,790	-	11,790
Federal awards	-	1,530,014	1,530,014	-	-	-	80,630	80,630	1,530,014	-	80,630	1,530,014	1,610,644
Other grants	-	794,910	794,910	-	95,000	95,000	-	-	889,910	-	-	889,910	889,910
Contributions and donations	325,519	350,472	675,991	117,758	-	117,758	-	443,277	350,472	-	443,277	350,472	793,749
Special events	880,160	-	880,160	-	-	-	-	880,160	-	-	880,160	-	880,160
Membership and special projects	133,084	-	133,084	-	-	-	-	133,084	-	-	133,084	-	133,084
United Way funding	1,566,016	-	1,566,016	-	-	-	-	1,566,016	-	-	1,566,016	-	1,566,016
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Loss on investments	-	89,928	89,928	-	-	-	-	-	89,928	-	-	89,928	89,928
Net assets released from restrictions - expenditures made	3,374,294	(3,374,294)	-	95,000	(95,000)	-	-	3,469,294	(3,469,294)	-	3,469,294	(3,469,294)	-
Total Revenue, Gains and Other Support	6,946,496	(608,970)	6,337,526	513,192	-	513,192	107,066	7,566,754	(608,970)	(60,945)	7,505,809	(608,970)	6,896,839
Expenses													
Program Services													
Domestic violence services	2,267,217	-	2,267,217	-	-	-	-	2,267,217	-	-	2,267,217	-	2,267,217
Child care	396,968	-	396,968	-	-	-	-	396,968	-	-	396,968	-	396,968
Day care	1,394,207	-	1,394,207	-	-	-	-	1,394,207	-	-	1,394,207	-	1,394,207
Residency	948,338	-	948,338	-	-	-	-	948,338	-	-	948,338	-	948,338
Day care for homeless	474,632	-	474,632	-	-	-	-	474,632	-	-	474,632	-	474,632
Social justice	1,148,269	-	1,148,269	-	-	-	-	1,148,269	-	-	1,148,269	-	1,148,269
Interfaith	428,226	-	428,226	-	-	-	-	428,226	-	-	428,226	-	428,226
Housing	-	-	-	543,763	-	543,763	103,837	647,600	-	(60,945)	586,655	-	586,655
Total Program Services	7,057,857	-	7,057,857	543,763	-	543,763	103,837	7,705,457	-	(60,945)	7,644,512	-	7,644,512
Support Services													
Administrative	414,180	-	414,180	146,349	-	146,349	47,154	607,683	-	-	607,683	-	607,683
Development	306,847	-	306,847	-	-	-	-	306,847	-	-	306,847	-	306,847
Total Support Services	721,027	-	721,027	146,349	-	146,349	47,154	914,531	-	-	914,531	-	914,531
Total Expenses	7,778,884	-	7,778,884	690,112	-	690,112	150,991	8,619,988	-	(60,945)	8,559,043	-	8,559,043
Change in Net Assets	(832,388)	(608,970)	(1,441,359)	(176,920)	-	(176,920)	(43,925)	(1,053,234)	(608,970)	-	(1,053,234)	(608,970)	(1,662,204)
Net Assets, Beginning of Year	10,441,534	2,134,937	12,576,471	1,139,646	28,580	1,168,226	103,894	11,685,074	2,163,517	(51,367)	11,633,707	2,163,517	13,797,224
Net Assets, End of Year	\$ 9,609,146	\$ 1,525,967	\$ 11,135,112	\$ 962,726	\$ 28,580	\$ 991,306	\$ 59,969	\$ 10,631,840	\$ 1,554,547	\$ (51,367)	\$ 10,580,473	\$ 1,554,547	\$ 12,135,020

YWCA Central Alabama

Government Funding 2019

Direct Federal Grant Funding	\$121,648
State Funding	\$2,370,238
City and/or County Funding	\$580,620
Total Direct Funding	\$3,072,506