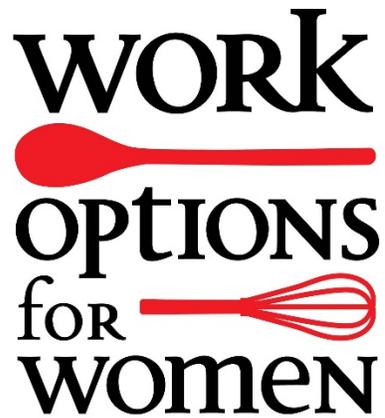


**WORK OPTIONS FOR WOMEN**

**Financial Statements**

**December 31, 2017**

(With Comparative Totals for December 31, 2016)



**WORK OPTIONS FOR WOMEN**  
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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Work Options for Women  
Denver, Colorado

We have audited the accompanying financial statements of Work Options for Women (a Colorado nonprofit organization), 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.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Work Options for Women as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States.

## **Report on Summarized Comparative Information**

Work Options for Women's 2016 financial statements were audited by Bauerle and Company, P.C., who merged with Wipfli LLP as of February 1, 2018, and whose report dated April 20, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Wipfli LLP*

Wipfli LLP  
Denver, Colorado

March 29, 2018

# WORK OPTIONS FOR WOMEN

## Statements of Financial Position December 31, 2017 (With Comparative Totals for December 31, 2016)

### ASSETS

	<u>2017</u>	<u>2016</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 219,104	\$ 371,562
Certificates of deposit, current portion	187,538	290,166
Government contract fees receivable	55,373	20,670
Contributions and grants receivable	85,945	31,500
Accounts receivable	9,769	6,665
Inventory	10,450	11,295
Prepaid expenses	21,617	8,014
Total Current Assets	<u>589,796</u>	<u>739,872</u>
<b>Property and Equipment, net</b>	<u>72,824</u>	<u>107,355</u>
<b>Other Assets</b>		
Certificates of deposit	117,633	15,069
Lease deposits	5,000	5,000
Total Other Assets	<u>122,633</u>	<u>20,069</u>
Total Assets	<u>\$ 785,253</u>	<u>\$ 867,296</u>

### LIABILITIES AND NET ASSETS

<b>Current Liabilities</b>		
Accounts payable	\$ 37,433	\$ 65,803
Accrued payroll and benefits	30,340	26,979
Accrued sales tax	2,315	2,599
Deferred revenue	2,027	2,838
Total Current Liabilities	<u>72,115</u>	<u>98,219</u>
<b>Net Assets</b>		
Unrestricted:		
Undesignated	127,193	292,577
Board designated	470,000	445,000
Total unrestricted net assets	<u>597,193</u>	<u>737,577</u>
Temporarily restricted	<u>115,945</u>	<u>31,500</u>
Total Net Assets	<u>713,138</u>	<u>769,077</u>
Total Liabilities and Net Assets	<u>\$ 785,253</u>	<u>\$ 867,296</u>

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

## WORK OPTIONS FOR WOMEN

### Statements of Activities Year Ended December 31, 2017 (With Comparative Totals for the Year Ended December 31, 2016)

	Year Ended December 31, 2017			Total 2016
	Unrestricted	Temporarily Restricted	Total 2017	
<b>Revenues, Support and Gains</b>				
Support and Gains:				
Contributions and grants	\$ 498,200	\$ 135,945	\$ 634,145	\$ 644,514
Special events, net of \$82,500 and \$75,781 of direct expenses, respectively	94,351	-	94,351	82,086
Investment income	1,592	-	1,592	1,646
Net assets released from restrictions	51,500	(51,500)	-	-
<b>Total Support and Gains</b>	<b>645,643</b>	<b>84,445</b>	<b>730,088</b>	<b>728,246</b>
Operating Revenues:				
Fees for services - Government Contracts	213,534	-	213,534	210,526
WOW Café food service	325,022	-	325,022	316,697
Café United food service	128,588	-	128,588	140,884
Other revenues	4,739	-	4,739	10,418
<b>Total Operating Revenues</b>	<b>671,883</b>	<b>-</b>	<b>671,883</b>	<b>678,525</b>
<b>Total Revenues, Support and Gains</b>	<b>1,317,526</b>	<b>84,445</b>	<b>1,401,971</b>	<b>1,406,771</b>
<b>Expenses</b>				
Program services:				
Student training	637,366	-	637,366	515,938
WOW Café	308,551	-	308,551	315,038
Café United	208,903	-	208,903	218,621
<b>Total Program Services</b>	<b>1,154,820</b>	<b>-</b>	<b>1,154,820</b>	<b>1,049,597</b>
Supporting services:				
Management and general	88,549	-	88,549	141,380
Fundraising	152,510	-	152,510	160,580
<b>Total Supporting Services</b>	<b>241,059</b>	<b>-</b>	<b>241,059</b>	<b>301,960</b>
<b>Total Expenses</b>	<b>1,395,879</b>	<b>-</b>	<b>1,395,879</b>	<b>1,351,557</b>
Change in Net Assets before Depreciation and Loss on Disposal of Property and Equipment	(78,353)	84,445	6,092	55,214
Depreciation	(62,031)	-	(62,031)	(70,038)
Loss on Disposal of Property and Equipment	-	-	-	(1,116)
<b>Change in Net Assets</b>	<b>(140,384)</b>	<b>84,445</b>	<b>(55,939)</b>	<b>(15,940)</b>
NET ASSETS, Beginning of Year	737,577	31,500	769,077	785,017
NET ASSETS, End of Year	<u>\$ 597,193</u>	<u>\$ 115,945</u>	<u>\$ 713,138</u>	<u>\$ 769,077</u>

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

## WORK OPTIONS FOR WOMEN

### Statements of Functional Expenses Year Ended December 31, 2017 (With Comparative Totals for the Year Ended December 31, 2016)

	Program Services			Supporting Services		Total Year Ended December 31, 2017	Total Year Ended December 31, 2016	
	Student Training	WOW Café	Café United	Total Program	Management and General			Fund- Raising
Salaries and benefits								
Salaries and wages	\$ 382,857	\$ 49,528	\$ 73,147	\$ 505,532	\$ 32,652	\$ 83,396	\$ 621,580	\$ 666,697
Payroll taxes	31,883	4,124	6,091	42,098	2,719	6,945	51,762	55,316
Employee benefits	28,475	3,684	5,440	37,599	2,428	6,203	46,230	58,975
Total salaries and benefits	443,215	57,336	84,678	585,229	37,799	96,544	719,572	780,988
Food and beverage	-	135,977	46,830	182,807	-	-	182,807	181,002
Professional fees	43,033	24,779	25,746	93,558	21,826	36,978	152,362	100,064
Student incentive and expenses	94,458	-	-	94,458	-	-	94,458	94,666
Occupancy	38,859	3,370	18,820	61,049	7,860	7,860	76,769	57,215
Paper, disposables, uniforms and linens	-	59,308	13,721	73,029	-	-	73,029	60,767
Credit card processing fees	-	14,877	4,802	19,679	898	475	21,052	20,007
Office supplies	1,914	1,019	1,081	4,014	4,750	2,544	11,308	13,283
Equipment and repairs	246	4,255	5,596	10,097	425	236	10,758	8,465
Travel	4,725	662	603	5,990	2,017	1,671	9,678	3,241
Insurance	674	633	633	1,940	5,914	1,348	9,202	9,618
Janitorial	-	4,590	4,167	8,757	-	-	8,757	5,579
Telephone and internet	2,239	798	978	4,015	2,033	2,033	8,081	4,035
Training and development	5,850	12	187	6,049	1,180	367	7,596	3,484
Dues and subscriptions	1,689	633	763	3,085	2,887	1,526	7,498	5,249
Marketing	422	263	259	944	845	813	2,602	1,230
Miscellaneous	42	39	39	120	115	115	350	2,664
Total Expenses before Depreciation and Loss on Disposal of Property and Equipment	637,366	308,551	208,903	1,154,820	88,549	152,510	1,395,879	1,351,557
Depreciation	2,003	5,747	53,737	61,487	544	-	62,031	70,038
Loss on disposal of property and equipment	-	-	-	-	-	-	-	1,116
Total Expenses	<u>\$ 639,369</u>	<u>\$ 314,298</u>	<u>\$ 262,640</u>	<u>\$ 1,216,307</u>	<u>\$ 89,093</u>	<u>\$ 152,510</u>	<u>\$ 1,457,910</u>	<u>\$ 1,422,711</u>
Percentage of Total Expenses	<u>43.9%</u>	<u>21.6%</u>	<u>18.0%</u>	<u>83.4%</u>	<u>6.1%</u>	<u>10.5%</u>	<u>100.0%</u>	

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

# WORK OPTIONS FOR WOMEN

## Statements of Cash Flows Year Ended December 31, 2017 (With Comparative Totals for the Year Ended December 31, 2016)

	2017	2016
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (55,939)	\$ (15,940)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	62,031	70,038
Net loss on disposal of property and equipment	-	1,116
Donation of property and equipment	(7,500)	-
(Increase) decrease in:		
Receivables	(92,252)	29,452
Inventory	845	1,557
Prepaid expenses	(13,603)	(2,777)
Increase (decrease) in:		
Accounts payable	(28,370)	36,548
Accrued payroll and benefits	3,361	1,558
Accrued sales tax	(284)	345
Deferred revenue	(811)	(2,161)
	(132,522)	119,736
Net Cash Provided by (Used in) Operating Activities	(132,522)	119,736
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(20,000)	(7,556)
Purchase of certificates of deposit	(936)	(15,970)
Proceeds from sale of certificates of deposit	1,000	15,000
Net Cash Provided by (Used in) Investing Activities	(19,936)	(8,526)
Net (Decrease) Increase in Cash and Cash Equivalents	(152,458)	111,210
CASH AND CASH EQUIVALENTS, beginning of year	371,562	260,352
CASH AND CASH EQUIVALENTS, end of year	\$ 219,104	\$ 371,562

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

## **1. Organization and Summary of Significant Accounting Policies**

### ***Organization***

Work Options for Women (WOW) was incorporated on July 25, 1996, under the State of Colorado nonprofit statutes. The primary purpose of WOW is to help impoverished women with little or no work experience gain economic self-sufficiency through job training in the food service industry. Since inception, WOW has helped unemployed and low-skilled women gain employment by providing culinary training, job readiness classes, referrals, and support services. Participants gain onsite skills through participating in the operations of catering and cafeterias. WOW operates WOW Café within the Human Services Building owned by the City and County of Denver, and Café United in Downtown Denver. All food service income is generated by these locations. In addition, WOW receives contributions and/or grants from governmental organizations and foundations.

### ***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

### ***Basis of Presentation***

The accompanying financial statements include statements of financial position that presents the amounts for each of the three classes of net assets: unrestricted, temporarily restricted and permanently restricted. These net assets are classified based on the existence or absence of donor-imposed restrictions and statements of activities that reflect the changes in those categories of net assets.

Unrestricted Net Assets – Are those currently available at the discretion of the Board of Directors for use in WOW's operations and those resources invested in property and equipment.

Temporarily Restricted Net Assets – Are those resources currently available for use, but expendable only for purposes specified by the donor or grantor.

Permanently Restricted Net Assets – Are amounts which are stipulated by donors to be maintained permanently by WOW. Currently, WOW does not have any permanently restricted net assets.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of 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.

### ***Functional Allocation of Expenses***

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**1. Organization and Summary of Significant Accounting Policies (continued)**

***Income Taxes***

WOW is a nonprofit corporation and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statements contain no provision for income taxes. In addition, contributions to WOW qualify for the charitable contribution deduction under Section 170(b)(1)(A) and WOW has been classified as an organization that is not a private foundation under Section 509(a)(2).

WOW is required to assess whether it is more likely than not that a tax position will be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. During the years ended December 31, 2017 and December 31, 2016, WOW's management evaluated its tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an effect on its tax-exempt status.

***Concentration of Credit Risk***

WOW maintains several bank accounts at different institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2017 and 2016, WOW's cash deposits did not exceed the FDIC insurance limit.

***Cash and Cash Equivalents***

For purposes of the statements of cash flows, WOW considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

***Receivables and Allowance for Uncollectible Receivables***

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. WOW uses the allowance method to record uncollectible contributions and grants receivable. The allowance is based on prior years' experience and management's analysis of specific contributions and grants made. Management has determined that all receivables are collectible as of December 31, 2017 and 2016.

***Property and Equipment***

Property and equipment are stated at cost or at the estimated fair value at the date of donation. Equipment is depreciated using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 7 years. Leasehold improvements are depreciated using the straight-line method over the term of the lease. All assets with a useful life of more than one year and a cost of more than \$1,000 are capitalized.

Maintenance, repairs and renewals, which neither materially add to the value of the property and equipment nor prolong its useful life, are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in income.

**1. Organization and Summary of Significant Accounting Policies (continued)**

***Inventory***

Inventories are valued at the lower of cost or realizable value on the first-in, first-out basis.

***Deferred Revenues***

Revenues collected prior to the year to which they apply are deferred and recognized in the period to which the revenues relate.

***Recognition of Revenues and Support***

Unconditional promises to give cash and other assets to WOW are reported at fair value at the date the promise is received. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Unrestricted gift and grant support is reflected as revenue in the year of receipt.

Revenues and support that are restricted by the donor, grantor, or other outside party for particular operating purposes are reported as temporarily restricted support. 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. Contributions for support of future operations and fundraising activities are recorded as temporarily restricted support in the year the contribution is made.

***Donated Materials and Services***

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

***Marketing***

Costs associated with marketing are expensed in the period incurred. Marketing expense is comprised primarily of print media. Marketing and promotion related costs expensed for the years ended December 31, 2017 and 2016, totaled \$2,602 and \$1,230, respectively.

***Reclassification***

Certain reclassifications have been made to the 2016 amounts to conform to the 2017 presentation. These reclassifications had no effect on the change in net assets.

***Summarized Financial Information***

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient details to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

**1. Organization and Summary of Significant Accounting Policies (continued)**

***Subsequent Events***

In accordance with the *Subsequent Events* Topic of FASB ASC, management is required to evaluate, through the date the financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. WOW's financial statements were available to be issued on March 29, 2018, and this is the date through which subsequent events were evaluated.

***New Accounting Pronouncements***

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-For-Profit Entities. This ASU is meant to eliminate diversity in practice and increase comparability among not-for-profit entities. The FASB believes that certain requirements of the ASU will increase transparency around a not-for-profit's available financial resources and flexibility. This ASU is effective for fiscal years beginning after December 15, 2017; however, early adoption of this ASU is permitted. Management is currently evaluating the potential impact of this ASU on the Organization's financial statements.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605 Revenue Recognition, and most industry specific guidance. When adopted, the amendments in the ASU must be applied using either a full or modified retrospective method. ASU No. 2014-09 is effective for nonpublic companies for fiscal years beginning after December 15, 2018. Management is currently evaluating the impact of the provisions of ASC 606 on its financial statements.

**WORK OPTIONS FOR WOMEN**  
**Notes to Financial Statements**  
December 31, 2017 and 2016

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**2. Certificates of Deposit**

At December 31, 2017 and 2016, WOW held four Certificates of Deposit totaling \$305,171 and \$305,235, respectively, with maturities through March 2021. Certificates of deposit are recorded at cost, and not subject to fair value reporting. Investment income totaled \$1,592 and \$1,646, respectively, for the years ended December 31, 2017 and 2016, and is the result of earnings on these certificates and other interest bearing cash deposits.

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**3. Property and Equipment**

Property and equipment consisted of the following at December 31<sup>st</sup>:

<u>Description</u>	<u>2017</u>	<u>2016</u>
Equipment	\$ 247,749	\$ 240,249
Leasehold Improvements	99,635	99,635
Work in process	<u>20,000</u>	<u>-</u>
Total	<u>367,384</u>	<u>339,884</u>
Less: Accumulated depreciation	<u>294,560</u>	<u>232,529</u>
Net property and equipment	<u>\$ 72,824</u>	<u>\$ 107,355</u>

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**4. Fees for Service – Government Contracts**

WOW has been awarded a Temporary Aid for Needy Families (TANF) and an Employment Support Fund (ESF) fee for a service contract by the Denver Workforce Development Board. WOW provides food service training to TANF and ESF recipients and submits a monthly invoice for these services. The contract expires on June 30, 2018. For the years ended December 31, 2017 and 2016, TANF and ESF revenues totaled \$195,879 and \$182,271, respectively. Other Government contract revenues totaled \$17,655 and \$28,255, for the years ended December 31, 2017 and 2016, respectively.

Revenues from government contracts account for approximately 15% of total revenues for the years ended December 31, 2017 and 2016.

**WORK OPTIONS FOR WOMEN**  
**Notes to Financial Statements**  
December 31, 2017 and 2016

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**5. Donated Facilities**

WOW Café - WOW rented space in the Denver Department of Human Services Building for administrative office space and a training site from the City and County of Denver under a lease agreement that expired on June 30, 2016. In August 2016, WOW entered into a Cafeteria Concession and Catering Services Agreement with the City and County of Denver to utilize only the training site (cafeteria) through June 30, 2019. Beginning January 1, 2017, the agreement requires WOW to pay fees of 1% of gross revenues for annual revenues up to \$350,000, 2% for annual revenues between \$350,000 and \$400,000, 3% for annual revenues between \$400,000 and \$450,000, and 4% for annual revenues in excess of \$450,000.

Fees under the above agreements totaled \$3,250 and \$3,167, for the years ended December 31, 2017 and 2016. The remainder of the fair value of the agreements is recorded as an in-kind donation as discussed in Note 7.

Café United – WOW rents space from Mile High United Way (MHUW) under a lease agreement through September 2018, for a space located at 711 Park Avenue West, Denver, for an additional training site. MHUW is one of WOW's donors. The lease includes no rent payments through September 2018. After that date, the rent will be renegotiated in good faith. WOW recorded an in-kind donation in the amount of \$16,200, for this space, as discussed in Note 7.

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**6. Commitments**

Operating Lease

On December 1, 2016, WOW entered into a lease amendment with MHUW to lease office space at the 711 Park Avenue West, Denver location, the same facility that houses Café United (Note 5). The amendment was effective on December 27, 2016, and terminates on December 27, 2018.

Approximate future minimum rent payments due under the operating lease is as follows:

Year Ending December 31:

2018	<u>\$ 24,480</u>
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Rent expense under this operating lease totaled \$24,569 and \$320, for 2017 and 2016, respectively.

**WORK OPTIONS FOR WOMEN**  
**Notes to Financial Statements**  
December 31, 2017 and 2016

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**7. In-Kind Contributions**

Donated materials and services are important to WOW's operations and, accordingly, are reflected as contributions in the accompanying financial statements at their estimated fair values at date of receipt. Donated materials and services consist of the following for the years ended December 31<sup>st</sup>:

<u>Description</u>	<u>2017</u>	<u>2016</u>
WomenCook!:		
Silent auction items	\$ 30,956	\$ 27,866
Food and beverage	17,640	14,000
Building use	1,000	8,000
Rentals	<u>3,978</u>	<u>3,344</u>
Total WomenCook!	<u>53,574</u>	<u>53,210</u>
Rent:		
WOW Café	36,000	36,000
Less: Rent payable	<u>(3,250)</u>	<u>(3,167)</u>
Total WOW Café	32,750	32,833
Café United	<u>16,200</u>	<u>16,200</u>
Total Rent	<u>48,950</u>	<u>49,033</u>
Accounting services	26,658	-
Property and equipment	<u>7,500</u>	<u>-</u>
Total Donated Materials and Services	<u>\$ 136,682</u>	<u>\$ 102,243</u>

The donated materials and services for the WomenCook! event are recorded as a donation and an expense within the special events line on the statements of activities. The donated rent is recorded as a contribution and occupancy expense on the statements of activities. The donated accounting services are recorded as a contribution and professional fees on the statements of activities. The donated property and equipment is recorded as property and equipment on the statements of financial position and as a contribution on the statements of activities.

No amounts have been reflected in the statements for donated volunteer services because the criteria for recognition under generally accepted accounting principles have not been satisfied. However, a substantial number of volunteers have donated significant amounts of their time to develop WOW's programs and fundraising events.

**WORK OPTIONS FOR WOMEN**  
**Notes to Financial Statements**  
December 31, 2017 and 2016

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**8. Board Designated Unrestricted Net Assets**

Unrestricted net assets have been designated by the Board of Directors with the following intent and purposes at December 31<sup>st</sup>:

	<u>2017</u>	<u>2016</u>
<u>Operating Reserve</u> : funds designated as a source of funding in the event of revenue shortfalls and/or unforeseen extraordinary occurrences. This reserve is approximately three months of operating expenditures.	\$ 350,000	\$ 325,000
<u>Fixed Asset Replacement Reserve</u> : funds designated for the replacement of equipment, software or leasehold improvements, as deemed necessary.	110,000	110,000
<u>Fixed Asset Acquisition Reserve</u> : funds designated to acquire equipment, software and leasehold improvements which are not replacements of existing equipment, software, or leasehold improvements.	<u>10,000</u>	<u>10,000</u>
Total Board Designated Unrestricted Net Assets	<u>\$ 470,000</u>	<u>\$ 445,000</u>

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**9. Temporarily Restricted Net Assets**

Temporarily restricted net assets are restricted for the following at December 31<sup>st</sup>:

	<u>2017</u>	<u>2016</u>
Pledges receivable for the subsequent year	\$ 85,945	\$ 31,500
Mobile culinary classroom and staff	<u>30,000</u>	<u>-</u>
Total Temporarily Restricted Net Assets	<u>\$ 115,945</u>	<u>\$ 31,500</u>