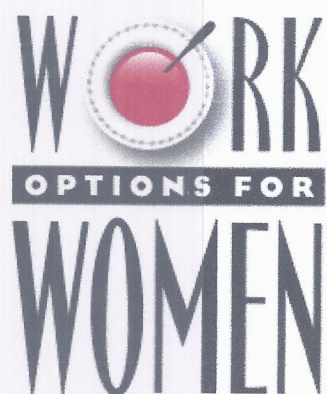


**Work Options for Women**

**Financial Statements**

**December 31, 2016**

(Together with Independent Auditors' Report)



**WORK OPTIONS FOR WOMEN**  
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CERTIFIED PUBLIC ACCOUNTANTS

## **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, 2016, 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 of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

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To the Board of Directors  
Work Options for Women

**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, 2016, 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 of America.

**Report on Summarized Comparative Information**

We have previously audited the Organization's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 17, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Bauerle and Company, P.C.  
Denver, Colorado

April 20, 2017



# WORK OPTIONS FOR WOMEN

## Statement of Financial Position December 31, 2016 (With Comparative Totals for December 31, 2015)

### ASSETS

	2016	2015
<b>Current Assets</b>		
Cash and cash equivalents	\$ 386,631	\$ 260,352
Certificates of deposit	290,166	304,265
Government contract fees receivable	20,670	63,704
Pledges receivable	31,500	19,112
Accounts receivable	6,665	5,471
Inventory	11,295	12,852
Prepaid expenses	8,014	5,237
Total Current Assets	754,941	670,993
<b>Property and Equipment, net</b>	107,355	170,953
<b>Other Assets</b>		
Lease deposits	5,000	5,000
Total Assets	<u>\$ 867,296</u>	<u>\$ 846,946</u>

### LIABILITIES AND NET ASSETS

<b>Current Liabilities</b>		
Accounts payable	\$ 65,803	\$ 29,255
Accrued payroll and benefits	26,979	25,421
Accrued sales tax	2,599	2,254
Deferred revenue	2,838	4,999
Total Current Liabilities	98,219	61,929
<b>Net Assets</b>		
Unrestricted:		
Undesignated	292,577	357,517
Board designated	445,000	415,000
Total unrestricted net assets	737,577	772,517
Temporarily restricted	31,500	12,500
Total Net Assets	769,077	785,017
Total Liabilities and Net Assets	<u>\$ 867,296</u>	<u>\$ 846,946</u>

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

## WORK OPTIONS FOR WOMEN

### Statement of Activities Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

	Year Ended December 31, 2016			Total 2015
	Unrestricted	Temporarily Restricted	Total 2016	
<b>Revenues, Support and Gains</b>				
Support and Gains:				
Contributions and grants	\$ 613,014	\$ 31,500	\$ 644,514	\$ 515,672
Special events, net of \$75,781 and \$72,296 of direct expenses, respectively	82,086	-	82,086	61,109
Investment income	1,646	-	1,646	1,417
Net assets released from restrictions	12,500	(12,500)	-	-
Total Support and Gains	709,246	19,000	728,246	578,198
Operating Revenues:				
Fees for services - Government Contracts	210,526	-	210,526	270,809
WOW Café food service	316,697	-	316,697	300,619
Café United food service	140,884	-	140,884	117,705
Café Options food service	-	-	-	222,163
Other revenues	10,418	-	10,418	13,399
Total Operating Revenues	678,525	-	678,525	924,695
Total Revenues, Support and Gains	1,387,771	19,000	1,406,771	1,502,893
<b>Expenses</b>				
Program services:				
Student training	515,938	-	515,938	584,250
WOW Café	315,038	-	315,038	329,551
Café United	218,621	-	218,621	187,402
Café Options	-	-	-	359,557
Total Program Services	1,049,597	-	1,049,597	1,460,760
Supporting services:				
Management and general	141,380	-	141,380	55,049
Fundraising	160,580	-	160,580	160,464
Total Supporting Services	301,960	-	301,960	215,513
Total Expenses	1,351,557	-	1,351,557	1,676,273
Change in Net Assets before Depreciation and Loss on Disposal of Property and Equipment	36,214	19,000	55,214	(173,380)
Depreciation	(70,038)	-	(70,038)	(108,539)
Loss on Disposal of Property and Equipment	(1,116)	-	(1,116)	(37,144)
<b>Change in Net Assets</b>	(34,940)	19,000	(15,940)	(319,063)
NET ASSETS, Beginning of Year	772,517	12,500	785,017	1,104,080
NET ASSETS, End of Year	\$ 737,577	\$ 31,500	\$ 769,077	\$ 785,017

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

## WORK OPTIONS FOR WOMEN

### Statement of Functional Expenses Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

	Program Services				Supporting Services		Total	Total
	Student Training	WOW Café	Café United	Total Program	Management and General	Fund-Raising	Year Ended December 31, 2016	Year Ended December 31, 2015
Salaries and benefits								
Salaries and wages	\$ 293,502	\$ 92,905	\$ 119,201	\$ 505,608	\$ 61,965	\$ 99,124	\$ 666,697	\$ 791,825
Employee benefits	25,949	8,257	10,557	44,763	5,484	8,728	58,975	71,940
Payroll taxes	24,339	7,744	9,902	41,985	5,144	8,187	55,316	66,239
Total salaries and benefits	343,790	108,906	139,660	592,356	72,593	116,039	780,988	930,004
Food and beverage	-	131,751	49,251	181,002	-	-	181,002	254,611
Professional fees	13,961	3,678	1,087	18,726	43,414	37,924	100,064	52,326
Student incentive and expenses	94,666	-	-	94,666	-	-	94,666	95,778
Occupancy	36,000	-	16,200	52,200	5,015	-	57,215	115,359
Paper and disposables	-	41,729	14,584	56,313	-	-	56,313	79,466
Credit card processing fees	-	15,373	4,634	20,007	-	-	20,007	23,799
Office supplies	2,906	-	1,206	4,112	4,356	4,815	13,283	17,377
Insurance	-	-	2,121	2,121	7,497	-	9,618	6,627
Equipment and repairs	-	4,648	3,817	8,465	-	-	8,465	31,811
Janitorial	-	3,911	1,668	5,579	-	-	5,579	6,194
Dues and subscriptions	-	310	1,339	1,649	3,527	73	5,249	7,528
Uniform and linens	-	3,349	1,105	4,454	-	-	4,454	7,414
Utilities	-	1,313	2,722	4,035	-	-	4,035	22,451
Training and development	1,325	70	-	1,395	1,864	225	3,484	9,538
Travel	1,022	-	1,495	2,517	450	274	3,241	8,054
Miscellaneous	-	-	-	-	2,664	-	2,664	438
Marketing	-	-	-	-	-	1,230	1,230	7,498
Indirect cost allocation	22,268	-	(22,268)	-	-	-	-	-
Total Expenses before Depreciation and Loss on Disposal of Property and Equipment	515,938	315,038	218,621	1,049,597	141,380	160,580	1,351,557	1,676,273
Depreciation	1,320	4,823	56,308	62,451	6,590	997	70,038	108,539
Loss on disposal of property and equipment	-	-	-	-	1,116	-	1,116	37,144
Total Expenses	\$ 517,258	\$ 319,861	\$ 274,929	\$ 1,112,048	\$ 149,086	\$ 161,577	\$ 1,422,711	\$ 1,821,956
Percentage of Total Expenses	36.4%	22.5%	19.3%	78.2%	10.4%	11.4%	100.0%	

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



## WORK OPTIONS FOR WOMEN

### Statement of Cash Flows Year Ended December 31, 2016 (With Comparative Totals for the Year Ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (15,940)	\$ (319,063)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	70,038	108,539
Net loss on disposal of property and equipment	1,116	37,144
(Increase) decrease in:		
Receivables	29,452	1,314
Inventory	1,557	4,492
Prepaid expenses	(2,777)	(819)
Lease deposits	-	11,603
Increase (decrease) in:		
Accounts payable	36,548	(15,836)
Accrued payroll and benefits	1,558	(7,326)
Accrued sales tax	345	(2,235)
Deferred revenue	(2,161)	2,996
Net Cash Provided by (Used in) Operating Activities	<u>119,736</u>	<u>(179,191)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(7,556)	(10,415)
Purchase of certificates of deposit	(901)	(1,242)
Sale of certificates of deposit	15,000	100,826
Net Cash Provided by (Used in) Investing Activities	<u>6,543</u>	<u>89,169</u>
Net Increase (Decrease) in Cash and Cash Equivalents	126,279	(90,022)
CASH AND CASH EQUIVALENTS, beginning of year	<u>260,352</u>	<u>350,374</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 386,631</u></u>	<u><u>\$ 260,352</u></u>

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. In September 2015, WOW closed Café Options which was also located 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 a statement of financial position that presents the amounts for each of the three classes of net assets: unrestricted, temporarily restricted and permanently restricted. WOW did not have any permanently restricted net assets at December 31, 2016. These net assets are classified based on the existence or absence of donor-imposed restrictions and a statement of activities that reflects 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.

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

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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 statement 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 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 follows *Accounting for Uncertainty in Income Taxes*, which requires WOW to determine whether a tax position (and related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. During the year ended 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. If incurred, interest and penalties associated with tax positions would be recorded in the period assessed as management and general expense. No interest or penalties have been assessed as of December 31, 2016.

***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, 2016, WOW's cash deposits did not exceed the FDIC insurance limit.

***Cash and Cash Equivalents***

For purposes of the statement 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, 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 market 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 statement 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 year ended December 31, 2016 totaled \$1,230.

***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 of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2015, 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 April 20, 2017, and this is the date through which subsequent events were evaluated.

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**2. Certificates of Deposit**

At December 31, 2016, WOW holds three Certificates of Deposit totaling \$290,166, with maturities through April 2017. Certificates of deposit, which are not subject to fair value reporting, are reported at cost. Investment income totaling \$1,646 for the year ended December 31, 2016 is the result of earnings on these certificates and other interest bearing cash deposits.

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**3. Property and Equipment**

At December 31, 2016, property and equipment consisted of the following:

<u>Description</u>	<u>Amount</u>
Equipment	\$ 240,249
Leasehold Improvements	<u>99,635</u>
Total	339,884
Less: Accumulated depreciation	<u>232,529</u>
Net property and equipment	<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, 2017. For the year ended December 31, 2016, TANF and ESF revenues totaled \$182,271. Other Government contract revenues totaled \$28,255 for the year ended December 31, 2016.

Revenues from the Government contracts account for approximately 14% of total revenues for the year ended December 31, 2016.

On April 17, 2017, the TANF and ESF services contract was extended through June 30, 2018. WOW was awarded \$210,000 under the contract.



## **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 \$3,167 for the year ended December 31, 2016. The remainder of the fair value of the agreements is recorded as an in-kind donation as discussed in Note 7.

Café Options – In September 2015, WOW closed Café Options and terminated the lease agreement. The net loss on the disposal of property and equipment at the location totaled \$37,144 for the year ended December 31, 2015.

Café United – WOW rents space from Mile High United Way (MHUW) under a lease agreement through August 31, 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 August 31, 2017. Rent after that initial period will then be negotiated, and may remain the same. 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. 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:

2017	\$ 23,760
2018	<u>24,480</u>
	<u>\$ 48,240</u>

Rent expense under this operating lease totaled \$320 for 2016.

**WORK OPTIONS FOR WOMEN**  
**Notes to Financial Statements**  
**December 31, 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 year ended December 31, 2016:

<u>Description</u>	<u>Amount</u>
WomenCook!:	
Silent auction items	\$ 27,866
Food	14,000
Building use	8,000
Rentals	<u>3,344</u>
Total WomenCook!	<u>53,210</u>
Rent:	
WOW Café	36,000
Less: Rent payable	<u>(3,167)</u>
Total WOW Café	32,833
Café United	<u>16,200</u>
Total Rent	<u>49,033</u>
Total Donated Materials and Services	<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 statement of activities. The donated rent is recorded as a contribution and occupancy expense on the statement 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.

**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, 2016:

Operating Reserve: 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. \$ 325,000

Fixed Asset Replacement Reserve: funds designated for the replacement of equipment, software or leasehold improvements, as deemed necessary. 110,000

Fixed Asset Acquisition Reserve: funds designated to acquire equipment, software and leasehold improvements which are not replacements of existing equipment, software, or leasehold improvements. 10,000

Total Board Designated Unrestricted Net Assets \$ 445,000

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**9. Temporarily Restricted Net Assets**

Temporarily restricted net assets are restricted for the following at December 31, 2016:

Pledges receivable for the subsequent year \$ 31,500