
**WOMEN'S BUSINESS CENTER OF
NORTH ALABAMA, INC.
FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 & 2015**

Mercer & Associates, PC

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Mercer & Associates, PC

a CPA firm

201 Williams Ave. SW Suite 280
Huntsville, Alabama 35801
(256) 536 - 4318
Fax (256) 533 - 7193

Jerry Mercer, CPA, Owner
Lisa Eaton, CPA
Misty Whiting, CPA
Carol Crews, CPA
Jacqueline Sasser, CPA
Jordan Gibbs, CPA

Members
Alabama Society of C.P.A.s
American Institute C.P.A.s

INDEPENDENT AUDITORS' REPORT

Board of Directors
Women's Business Center of
North Alabama, Inc.
Huntsville, Alabama

We have audited the accompanying financial statements of Women's Business Center of North Alabama, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2016 & 2015, and the related statements of activities 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.

Auditor's 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women's Business Center of North Alabama, Inc. as of September 30, 2016 & 2015,

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 Women's Business Center of North Alabama's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 14, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 8 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.

Mercer & Associates, PC

January 4, 2017

WOMEN'S BUSINESS CENTER OF NORTH ALABAMA, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2016

ASSETS	2016	2015
	<u>TOTAL</u>	<u>TOTAL</u>
Current Assets		
Cash and cash equivalents	\$ 259,264	\$ 248,845
Accounts receivable	119,470	186,247
Inventories	1,674	4,719
Prepaid expenses	3,903	3,901
Total Current Assets	<u>384,311</u>	<u>443,712</u>
Fixed Assets		
Furniture, Fixtures, and Equipment	52,701	41,450
Accumulated Depreciation	(36,625)	(34,343)
Total Fixed Assets	<u>16,076</u>	<u>7,107</u>
Other Current Assets		
Security Deposit	774	774
TOTAL ASSETS	<u>\$ 401,161</u>	<u>\$ 451,593</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 18,098	\$ 69,105
Deferred revenue	21,314	1,654
Accrued compensated absences	14,018	10,147
Total Liabilities	<u>53,430</u>	<u>80,906</u>
Net Assets		
Unrestricted	347,731	370,687
Temporarily restricted	0	0
Permanently restricted	0	0
Total Net Assets	<u>347,731</u>	<u>370,687</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 401,161</u>	<u>\$ 451,593</u>

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

WOMEN'S BUSINESS CENTER OF NORTH ALABAMA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	2016	2015
	<u>UNRESTRICTED</u>	<u>UNRESTRICTED</u>
SUPPORT AND REVENUE		
Contributions	\$ 62,002	\$ 102,768
Program Income	516,232	508,496
Grants	131,250	125,882
In-Kind Donations	<u>262,537</u>	<u>158,160</u>
TOTAL SUPPORT AND REVENUE	<u>972,021</u>	<u>895,306</u>
FUNCTIONAL EXPENSES		
Program services	765,789	697,175
Support services		
Fundraising	286	367
Management and general	<u>228,917</u>	<u>169,799</u>
TOTAL FUNCTIONAL EXPENSES	<u>994,992</u>	<u>867,341</u>
OTHER INCOME (EXPENSES)		
Interest and investment earnings	15	291
Interest Expense	<u>0</u>	<u>(319)</u>
TOTAL OTHER INCOME (EXPENSES)	<u>15</u>	<u>(28)</u>
CHANGE IN NET ASSETS	(22,956)	27,937
NET ASSETS, BEGINNING	370,687	334,848
PRIOR PERIOD ADJUSTMENT	<u>0</u>	<u>7,902</u>
NET ASSETS, ENDING	<u>\$ 347,731</u>	<u>370,687</u>

ie accompanying notes to financial statements are an integral part of these financial statements

WOMEN'S BUSINESS CENTER OF NORTH ALABAMA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Reconciliation of Increase in Net Assets to Net Cash Provided (Used) by Operating Activities	2016 Total	2015 Total
	<u> </u>	<u> </u>
Increase (Decrease) in net assets	\$ (22,956)	\$ 35,839
Adjustment to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	2,282	5,246
Amortization	0	0
Decrease (increase) in:		
Pledges receivables	66,777	18,854
Inventory	3,045	2,131
Prepaid expenses	(2)	4,566
Security Deposit	0	(774)
Increase (decrease) in:		
Accounts payable	(51,007)	27,154
Accrued Vacation	3,871	3,907
Payroll Payables	0	0
Deferred revenues	19,660	(1,657)
	<u>21,670</u>	<u>95,266</u>
Net cash provided (used) by operating activities	<u>21,670</u>	<u>95,266</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	<u>(11,251)</u>	<u>0</u>
Net cash provided (used) by investing activities	<u>(11,251)</u>	<u>0</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net payments on line of credit	<u>0</u>	<u>0</u>
Net cash provided (used) by financing activities	<u>0</u>	<u>0</u>
Net decrease in cash and cash equivalents	10,419	95,266
Cash and cash equivalents at beginning of year	<u>248,845</u>	<u>153,579</u>
Cash and cash equivalents at end of year	<u>\$ 259,264</u>	<u>\$ 248,845</u>
Supplemental Information:		
Interest Expense	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes and independent auditors' report are an integral part of these financial statements.

WOMEN'S BUSINESS CENTER OF NORTH ALABAMA, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Women's Business Center of North Alabama, Inc. (the "Organization") was organized on January 22, 2003 in Huntsville, Alabama to promote and increase business opportunities for small businesses in the northern Alabama area by promoting, supporting, fostering, and encouraging small business owners.

Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America. The measurement focus is on the flow of economic resources.

Significant Estimates

These financial statements of the Organization are prepared in accordance with generally accepted accounting principles. The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

Functional Expenses

The organization accounts for its expenses on a functional basis among its program and supporting services. Expenses that can be directly identified with a program or supporting service are directly charged according to their natural expenditure classification. Any indirect expenses which benefit both program and supporting services are allocated based upon various direct costs, between program and supporting services.

Donated Material and Services

Donated materials, if there are any material amounts, are reflected as contributions in the accompanying financial statements at their estimated fair values on the date of receipt. No amounts have been included in the financial statements for donated services as there were no material donated services.

Cash and Cash Equivalents

The organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

The organization includes in its accounts receivable federal grant reimbursements receivable, grant support from affiliates, state, and third party reimbursements. All accounts are viewed by management as being collectible. Therefore, no allowance for uncollectible receivables has been provided. Pledges are not considered as guaranteed, therefore none are included.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capitalization and Depreciation

Land, buildings and improvements are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of operations. Estimated useful lives are 5-7 years for furniture and fixtures, 15-30 years for buildings and improvements, and 20 year for land improvements.

Income Taxes

The Organization is exempt from federal and state income taxes under section 501 (c)(3) of the Internal Revenue Code. The Organization is not classified as a private foundation by the Internal Revenue Service. Accordingly, these financial statements do not contain a provision for income taxes. Tax years after September 30, 2012 remain subject to examination by taxing authorities.

Inventory

Inventory is valued at the lower of cost or market if purchased and at fair market value on the date of donation if donated. Inventory on hand was valued at \$1,674 at September 30, 2016 & \$4,719 at September 30, 2015.

Advertising

Advertising costs are expensed as incurred. Total advertising expense for year ended September 30, 2016 was \$4,340 & September 30, 2015 was \$2,248.

NOTE 2 – CONCENTRATION OF CREDIT RISK

The Center maintains its cash balances in financial institutions located in Huntsville, Alabama. The Center had no cash deposited with financial institutions in excess of federal insured limits as of September 30, 2016 & 2015.

NOTE 3 – 2015 PRIOR PERIOD ADJUSTMENT

Two prior period adjustments were made as part of the 2015 audit. A prior period adjustment was made to remove old accrued expenses for a change to unrestricted net assets of \$7,902. Another prior period adjustment was made to reclassify temporarily restricted net assets as unrestricted net assets for a total of \$71,494. The net change in net assets due to prior period adjustments is \$7,902.

NOTE 4 – SUBSEQUENT EVENTS

The date through which subsequent events have been evaluated is January 4, 2017. The financial statements were available to be issued at that time.

WOMEN'S BUSINESS CENTER OF NORTH ALABAMA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Program Services	Management and General	Fundraising	2016 Total	2015 Total
Salaries and wages	237,650	35,567	0	273,217	232,313
Employee benefits	48,253	8,156	0	56,409	48,704
Payroll taxes	25,301	3,843	0	29,144	22,596
Subcontractors	178,384	0	0	178,384	225,717
Business Coaches	8,913	2,450	0	11,363	12,670
Travel Expenses	13,317	3,692	0	17,009	15,962
Office Space	4,802	4,486	0	9,288	6,966
Miscellaneous	4,122	6,370	0	10,492	10,347
Bank Fees	0	5,929	0	5,929	3,523
Other Program Expenses	24,722	0	0	24,722	17,359
Sponsorship expense	4,560	0	0	4,560	8,636
Scholarships and Workshops	28,445	0	0	28,445	26,215
Accounting	3,914	9,071	0	12,985	29,080
Website	1,347	3,179	0	4,526	5,346
Social Media Marketing	2,673	13,731	0	16,404	5,518
Office Expenses	7,734	10,635	0	18,369	11,101
Insurance	3,021	3,022	0	6,043	4,981
Advertising	611	3,729	0	4,340	2,248
Fundraising	0	0	286	286	367
Computer Expense	8,199	3,005	0	11,204	9,108
Program Expenses	0	0	0	0	1,179
Dues and Memberships	0	4,181	0	4,181	3,999
In-Kind Expenses	152,824	107,871	0	260,695	158,160
Depreciation Expense	6,997	0	0	6,997	5,246
TOTAL FUNCTIONAL EXPENSES	\$765,789	\$228,917	\$286	\$994,992	\$867,341

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