

# **NW WORKS, INC. AND AFFILIATE**

## **CONSOLIDATED FINANCIAL REPORT**

**JUNE 30, 2021**



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ASSURANCE, TAX & ADVISORY SERVICES

# NW WORKS, INC. AND AFFILIATE

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
NW Works, Inc. and Affiliate

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of NW Works, Inc. and Affiliate (the Organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 Organization'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 Organization'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 the Organization as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*PB Maerz, LLP*

Harrisonburg, Virginia  
November 16, 2021

## **CONSOLIDATED FINANCIAL STATEMENTS**

NW WORKS, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
June 30, 2021 and 2021

	2021	2020
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 1,657,625	\$ 1,312,756
Contract receivables	411,135	321,017
Contribution and grant receivables	5,000	-
Accrued revenue	31,654	31,785
Inventory	-	29,332
Prepaid expenses and other current assets	44,752	42,927
<b>Total current assets</b>	<b>2,150,166</b>	<b>1,737,817</b>
Investments	3,412,873	2,859,089
Property and Equipment		
Land	1,049,509	1,049,509
Buildings and improvements	3,113,035	3,070,040
Equipment and vehicles	854,516	818,941
Intangibles	14,591	14,591
	<b>5,031,651</b>	<b>4,953,081</b>
Less accumulated depreciation and amortization	<b>(1,806,092)</b>	<b>(1,597,221)</b>
<b>Property and equipment, net</b>	<b>3,225,559</b>	<b>3,355,860</b>
Non-Current Assets		
Security Deposit	-	3,011
<b>Total assets</b>	<b>\$ 8,788,598</b>	<b>\$ 7,955,777</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Current maturities of long-term debt	\$ 145,081	\$ 105,603
Accounts payable	67,112	129,268
Accrued payroll and related liabilities	158,711	130,643
Accrued compensated absences	115,134	108,875
Other accrued expenses	362,993	12,650
<b>Total current liabilities</b>	<b>849,031</b>	<b>487,039</b>
Long-Term Debt	1,934,003	1,957,280
<b>Total liabilities</b>	<b>2,783,034</b>	<b>2,444,319</b>
Net Assets		
Without donor restrictions	6,005,564	5,511,458
<b>Total net assets</b>	<b>6,005,564</b>	<b>5,511,458</b>
<b>Total liabilities and net assets</b>	<b>\$ 8,788,598</b>	<b>\$ 7,955,777</b>

**NW WORKS, INC. AND AFFILIATE**

**CONSOLIDATED STATEMENTS OF ACTIVITIES**

**Years Ended June 30, 2021 and 2020**

	2021	2020
Public Support and Revenues		
Public support:		
Group day support	\$ 183,105	\$ 856,826
Supported employment	201,465	167,645
Project SEARCH	96,316	77,492
Situational assessment	-	4,790
Long-term employment services	62,164	138,970
Temporary Assistance for Needy Families	171,410	131,437
Workplace assistance	27,131	-
Special events, net	42,616	49,883
Contributions and grants	360,827	155,513
Paycheck Protection Program loan forgiveness	688,100	-
In-kind contributions	10,000	-
	<hr/>	<hr/>
<b>Total public support</b>	<b>1,843,134</b>	<b>1,582,556</b>
Revenues and gains:		
Work contracts	3,367,140	3,291,691
Other revenues:		
Client transportation fees	6,011	39,291
Firefly Café	61,511	511,422
Investment return	764,774	47,704
Gain (loss) on disposal of property and equipment, net	20	(1,047)
Other income (loss)	18,001	(81)
	<hr/>	<hr/>
<b>Total revenues and gains</b>	<b>4,217,457</b>	<b>3,888,980</b>
<b>Total public support and revenues</b>	<b>6,060,591</b>	<b>5,471,536</b>
Expenses		
Program	4,082,508	4,594,081
Management and general	1,417,303	1,145,899
Fundraising	66,674	71,566
	<hr/>	<hr/>
<b>Total expenses</b>	<b>5,566,485</b>	<b>5,811,546</b>
<b>Change in net assets (without donor restrictions)</b>	<b>494,106</b>	<b>(340,010)</b>
Net Assets, beginning of year	<hr/>	<hr/>
	<b>5,511,458</b>	<b>5,851,468</b>
Net Assets, end of year	<hr/> <hr/>	<hr/> <hr/>
	<b>\$ 6,005,564</b>	<b>\$ 5,511,458</b>