

**COMMUNITY LINK,
PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2017 AND 2016

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | |
|---|-----------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| CONSOLIDATED FINANCIAL STATEMENTS | |
| CONSOLIDATED STATEMENTS OF FINANCIAL POSITION | 3 |
| CONSOLIDATED STATEMENT OF ACTIVITIES - YEAR ENDED JUNE 30, 2017 | 5 |
| CONSOLIDATED STATEMENT OF ACTIVITIES - YEAR ENDED JUNE 30, 2016 | 6 |
| CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - YEAR ENDED JUNE 30, 2017 | 7 |
| CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - YEAR ENDED JUNE 30, 2016 | 8 |
| CONSOLIDATED STATEMENTS OF CASH FLOWS | 9 |
| NOTES TO CONSOLIDATED FINANCIAL STATEMENTS | 10 |
| SUPPLEMENTARY INFORMATION | |
| INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION | 20 |
| COMPUTATION OF INDIRECT COST ALLOCATION RATE | 21 |
| CONSOLIDATING STATEMENT OF FINANCIAL POSITION BY ENTITY | 22 |
| CONSOLIDATING STATEMENT OF ACTIVITIES BY ENTITY | 23 |



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Link, Programs of Travelers Aid Society
of Central Carolinas, Inc. and Subsidiary
Charlotte, North Carolina

We have audited the consolidated financial statements of Community Link, Programs of Travelers Aid Society of Central Carolinas, Inc. and Subsidiary (the "Organization") which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and 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.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

Board of Directors
Community Link, Programs of Travelers Aid Society
of Central Carolinas, Inc. and Subsidiary

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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2017 and 2016, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2017, on our consideration of the Organization'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Community Link, Programs of Travelers Aid Society's 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 the Organization's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Charlotte, North Carolina
September 26, 2017

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016**

| | 2017 | | | Total |
|---------------------------------------|-------------------|---------------------------|---------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | |
| ASSETS | | | | |
| CASH AND CASH EQUIVALENTS | \$ 262,927 | \$ 102,560 | \$ 7,522 | \$ 373,009 |
| AMOUNTS RECEIVABLE | | | | |
| United Way Allocation | - | 348,491 | - | 348,491 |
| Government Contracts | 273,685 | - | - | 273,685 |
| Pledges Receivable, Net | 5,792 | 97,986 | 850 | 104,628 |
| Other Receivables | 24,070 | - | - | 24,070 |
| Sales Tax Receivable | 3,173 | - | - | 3,173 |
| | <u>569,647</u> | <u>549,037</u> | <u>8,372</u> | <u>1,127,056</u> |
| PREPAID EXPENSES | 43,974 | - | - | 43,974 |
| ASSETS HELD FOR SALE | - | - | - | - |
| OTHER ASSETS | 73,752 | - | - | 73,752 |
| PROPERTY AND EQUIPMENT, NET | | | | |
| Land | - | 37,500 | - | 37,500 |
| Buildings | 20,000 | 342,000 | - | 362,000 |
| Leasehold Improvements | 83,580 | - | - | 83,580 |
| Furniture, Fixtures, and Equipment | 78,633 | - | - | 78,633 |
| Less: Accumulated Depreciation | (99,275) | (9,872) | - | (109,147) |
| Total Property and Equipment, Net | <u>82,938</u> | <u>369,628</u> | <u>-</u> | <u>452,566</u> |
| Total Assets | <u>\$ 770,311</u> | <u>\$ 918,665</u> | <u>\$ 8,372</u> | <u>\$ 1,697,348</u> |
| LIABILITIES AND NET ASSETS | | | | |
| LIABILITIES | | | | |
| Amounts Payable and Other Liabilities | \$ 171,879 | \$ - | \$ - | \$ 171,879 |
| Capital Lease Payable | 29,074 | - | - | 29,074 |
| Line of Credit | 47,500 | - | - | 47,500 |
| Total Liabilities | <u>248,453</u> | <u>-</u> | <u>-</u> | <u>248,453</u> |
| NET ASSETS | <u>521,858</u> | <u>918,665</u> | <u>8,372</u> | <u>1,448,895</u> |
| Total Liabilities and Net Assets | <u>\$ 770,311</u> | <u>\$ 918,665</u> | <u>\$ 8,372</u> | <u>\$ 1,697,348</u> |

See accompanying Notes to Consolidated Financial Statements.

2016

| Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|-------------------|---------------------------|---------------------------|---------------------|
| \$ 33,272 | \$ 111,041 | \$ 5,522 | \$ 149,835 |
| - | 349,607 | - | 349,607 |
| 478,592 | - | - | 478,592 |
| 7,855 | 54,222 | 2,850 | 64,927 |
| 19,244 | 45,000 | - | 64,244 |
| 1,542 | - | - | 1,542 |
| <u>540,505</u> | <u>559,870</u> | <u>8,372</u> | <u>1,108,747</u> |
| 24,852 | - | - | 24,852 |
| - | 256,630 | - | 256,630 |
| 54,428 | - | - | 54,428 |
| - | 8,500 | - | 8,500 |
| - | 197,000 | - | 197,000 |
| 83,580 | - | - | 83,580 |
| 40,188 | - | - | 40,188 |
| (86,755) | (2,912) | - | (89,667) |
| <u>37,013</u> | <u>202,588</u> | <u>-</u> | <u>239,601</u> |
| <u>\$ 656,798</u> | <u>\$ 1,019,088</u> | <u>\$ 8,372</u> | <u>\$ 1,684,258</u> |
| \$ 199,817 | \$ - | \$ - | \$ 199,817 |
| - | - | - | - |
| 180,000 | - | - | 180,000 |
| <u>379,817</u> | <u>-</u> | <u>-</u> | <u>379,817</u> |
| <u>276,981</u> | <u>1,019,088</u> | <u>8,372</u> | <u>1,304,441</u> |
| <u>\$ 656,798</u> | <u>\$ 1,019,088</u> | <u>\$ 8,372</u> | <u>\$ 1,684,258</u> |

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-----------------------------------|---------------------|
| SUPPORT AND OTHER | | | | |
| SUPPORT | | | | |
| United Way | \$ 2,615 | \$ 348,491 | \$ - | \$ 351,106 |
| Contributions/Grants/Contracts | 408,270 | 410,001 | - | 818,271 |
| Government Contracts | 3,335,041 | - | - | 3,335,041 |
| In-kind (Rent Credit and Other) | 168,308 | 174,000 | - | 342,308 |
| | <u>3,914,234</u> | <u>932,492</u> | <u>-</u> | <u>4,846,726</u> |
| OTHER | | | | |
| Interest and Investment Income, Net | 7,407 | 1,004 | - | 8,411 |
| Rental Income | 21,678 | - | - | 21,678 |
| Miscellaneous | 9,375 | - | - | 9,375 |
| Service Fees | 32,087 | - | - | 32,087 |
| | <u>70,547</u> | <u>1,004</u> | <u>-</u> | <u>71,551</u> |
| NET ASSETS RELEASED FROM RESTRICTIONS | | | | |
| Satisfaction of Program/Purpose Restrictions | 529,595 | (529,595) | - | - |
| Satisfaction of Time/Purpose Restrictions | 504,324 | (504,324) | - | - |
| | <u>1,033,919</u> | <u>(1,033,919)</u> | <u>-</u> | <u>-</u> |
| Total Support and Other | 5,018,700 | (100,423) | - | 4,918,277 |
| EXPENSES | | | | |
| PROGRAM SERVICES | | | | |
| Homeless to Housing | 3,177,192 | - | - | 3,177,192 |
| Homeownership | 741,933 | - | - | 741,933 |
| Financial Literacy | 154,044 | - | - | 154,044 |
| Total Program Services | <u>4,073,169</u> | <u>-</u> | <u>-</u> | <u>4,073,169</u> |
| SUPPORTING SERVICES | | | | |
| Management and General | 541,442 | - | - | 541,442 |
| Fundraising | 159,212 | - | - | 159,212 |
| Total Supporting Services | <u>700,654</u> | <u>-</u> | <u>-</u> | <u>700,654</u> |
| Total Expenses | 4,773,823 | - | - | 4,773,823 |
| Loss on Equipment Disposals | - | - | - | - |
| CHANGE IN NET ASSETS | 244,877 | (100,423) | - | 144,454 |
| Net Assets at Beginning of Year | <u>276,981</u> | <u>1,019,088</u> | <u>8,372</u> | <u>1,304,441</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 521,858</u> | <u>\$ 918,665</u> | <u>\$ 8,372</u> | <u>\$ 1,448,895</u> |

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-----------------------------------|---------------------|
| SUPPORT AND OTHER | | | | |
| SUPPORT | | | | |
| United Way | \$ 1,020 | \$ 349,607 | \$ - | \$ 350,627 |
| Contributions/Grants/Contracts | 455,242 | 310,057 | - | 765,299 |
| Government Contracts | 3,866,794 | - | - | 3,866,794 |
| In-kind (Rent Credit and Other) | 161,016 | 263,315 | - | 424,331 |
| | <u>4,484,072</u> | <u>922,979</u> | <u>-</u> | <u>5,407,051</u> |
| OTHER | | | | |
| Interest and Investment Income, Net | (3,383) | (212) | - | (3,595) |
| Rental Income | 32,498 | - | - | 32,498 |
| Miscellaneous | 1,875 | - | - | 1,875 |
| Service Fees | 26,584 | - | - | 26,584 |
| | <u>57,574</u> | <u>(212)</u> | <u>-</u> | <u>57,362</u> |
| NET ASSETS RELEASED FROM RESTRICTIONS | | | | |
| Satisfaction of Program/Purpose Restrictions | 231,020 | (231,020) | - | - |
| Satisfaction of Time/Purpose Restrictions | 385,438 | (385,438) | - | - |
| | <u>616,458</u> | <u>(616,458)</u> | <u>-</u> | <u>-</u> |
| Total Support and Other | 5,158,104 | 306,309 | - | 5,464,413 |
| EXPENSES | | | | |
| PROGRAM SERVICES | | | | |
| Homeless to Housing | 3,130,210 | - | - | 3,130,210 |
| Homeownership | 1,275,063 | - | - | 1,275,063 |
| Financial Literacy | 147,040 | - | - | 147,040 |
| Total Program Services | <u>4,552,313</u> | <u>-</u> | <u>-</u> | <u>4,552,313</u> |
| SUPPORTING SERVICES | | | | |
| Management and General | 525,052 | - | - | 525,052 |
| Fundraising | 166,440 | - | - | 166,440 |
| Total Supporting Services | <u>691,492</u> | <u>-</u> | <u>-</u> | <u>691,492</u> |
| Total Expenses | 5,243,805 | - | - | 5,243,805 |
| Loss on Equipment Disposals | (8,870) | - | - | (8,870) |
| CHANGE IN NET ASSETS | (94,571) | 306,309 | - | 211,738 |
| Net Assets at Beginning of Year | 371,552 | 712,779 | 8,372 | 1,092,703 |
| NET ASSETS AT END OF YEAR | <u>\$ 276,981</u> | <u>\$ 1,019,088</u> | <u>\$ 8,372</u> | <u>\$ 1,304,441</u> |

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017**

| | Homeless to Housing | Homeownership | Financial Literacy | Totals | Supporting Services | | | Totals 2017 |
|--------------------------------------|------------------------|-------------------|-----------------------|---------------------|---------------------------|-------------------|-------------------|---------------------|
| | | | | | Management and General | Fundraising | Totals | |
| SALARIES AND RELATED EXPENSES | | | | | | | | |
| Salaries | \$ 946,345 | \$ 296,050 | \$ 89,246 | \$ 1,331,641 | \$ 295,877 | \$ 56,413 | \$ 352,290 | \$ 1,683,931 |
| Employee Benefits | 210,316 | 64,256 | 4,614 | 279,186 | 68,847 | 3,483 | 72,330 | 351,516 |
| Employment Taxes | 78,698 | 24,728 | 7,862 | 111,288 | 21,669 | 4,705 | 26,374 | 137,662 |
| | <u>1,235,359</u> | <u>385,034</u> | <u>101,722</u> | <u>1,722,115</u> | <u>386,393</u> | <u>64,601</u> | <u>450,994</u> | <u>2,173,109</u> |
| OTHER EXPENSES | | | | | | | | |
| Occupancy (Rent/Parking/Maint.) | 213,220 | 78,470 | 25,479 | 317,169 | 19,146 | 13,887 | 33,033 | 350,202 |
| Telephone | 15,325 | 1,970 | 2,758 | 20,053 | 5,527 | 863 | 6,390 | 26,443 |
| Dues and Subscriptions | 4,240 | 4,058 | - | 8,298 | 6,307 | - | 6,307 | 14,605 |
| Supplies | 5,550 | 2,520 | 1,844 | 9,914 | 10,618 | 2,075 | 12,693 | 22,607 |
| Travel, Conferences, Training | 58,032 | 26,149 | 3,373 | 87,554 | 22,346 | 6,249 | 28,595 | 116,149 |
| Postage | 2,258 | 2,552 | 162 | 4,972 | 1,309 | 1,153 | 2,462 | 7,434 |
| Printing and Publications | 2,052 | 4,552 | 116 | 6,720 | 1,274 | 8,500 | 9,774 | 16,494 |
| Rental and Maintenance | 86,717 | 4,770 | 2,134 | 93,621 | 13,241 | 7,819 | 21,060 | 114,681 |
| Professional Fees | 22,885 | 170,170 | 522 | 193,577 | 23,793 | 20,072 | 43,865 | 237,442 |
| Professional Fees - Shared Services | 156,044 | 44,559 | 15,679 | 216,282 | 14,502 | 9,494 | 23,996 | 240,278 |
| Insurance | - | - | - | - | 14,564 | - | 14,564 | 14,564 |
| Agency Recruiting | 10 | - | - | 10 | - | - | - | 10 |
| Fundraising | - | - | - | - | - | 23,557 | 23,557 | 23,557 |
| Miscellaneous | 37 | 123 | - | 160 | 13,394 | - | 13,394 | 13,554 |
| Depreciation | 7,154 | 10,127 | 255 | 17,536 | 1,015 | 929 | 1,944 | 19,480 |
| Interest and Bank Charges | - | 1,754 | - | 1,754 | 8,013 | 13 | 8,026 | 9,780 |
| Direct Assistance to Individuals | 1,368,309 | 5,125 | - | 1,373,434 | - | - | - | 1,373,434 |
| Total Other Expenses | <u>1,941,833</u> | <u>356,899</u> | <u>52,322</u> | <u>2,351,054</u> | <u>155,049</u> | <u>94,611</u> | <u>249,660</u> | <u>2,600,714</u> |
| Total Expenses | <u>\$ 3,177,192</u> | <u>\$ 741,933</u> | <u>\$ 154,044</u> | <u>\$ 4,073,169</u> | <u>\$ 541,442</u> | <u>\$ 159,212</u> | <u>\$ 700,654</u> | <u>\$ 4,773,823</u> |

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016**

| | Homeless to Housing | Homeownership | Financial Literacy | Totals | Supporting Services | | | Totals 2016 |
|--|------------------------|---------------------|-----------------------|---------------------|---------------------------|-------------------|-------------------|---------------------|
| | | | | | Management and General | Fundraising | Totals | |
| SALARIES AND RELATED EXPENSES | | | | | | | | |
| Salaries | \$ 978,313 | \$ 286,880 | \$ 101,107 | \$ 1,366,300 | \$ 274,332 | \$ 67,191 | \$ 341,523 | \$ 1,707,823 |
| Employee Benefits | 215,608 | 53,732 | 5,135 | 274,475 | 64,586 | 5,183 | 69,769 | 344,244 |
| Employment Taxes | 87,756 | 26,037 | 9,593 | 123,386 | 21,290 | 5,534 | 26,824 | 150,210 |
| | <u>1,281,677</u> | <u>366,649</u> | <u>115,835</u> | <u>1,764,161</u> | <u>360,208</u> | <u>77,908</u> | <u>438,116</u> | <u>2,202,277</u> |
| OTHER EXPENSES | | | | | | | | |
| Occupancy (Rent/Parking/Maint.) | 221,500 | 77,912 | 12,553 | 311,965 | 18,537 | 13,427 | 31,964 | 343,929 |
| Telephone | 17,016 | 1,855 | 1,832 | 20,703 | 5,727 | 1,014 | 6,741 | 27,444 |
| Dues and Subscriptions | 12,350 | 3,648 | - | 15,998 | 9,750 | 1,354 | 11,104 | 27,102 |
| Supplies | 3,753 | 2,562 | 3,045 | 9,360 | 11,776 | 3,544 | 15,320 | 24,680 |
| Travel, Conferences, Training | 44,991 | 11,733 | 3,057 | 59,781 | 27,516 | 4,428 | 31,944 | 91,725 |
| Postage | 1,491 | 1,706 | 176 | 3,373 | 1,390 | 3,771 | 5,161 | 8,534 |
| Printing and Publications | 2,910 | 3,397 | 44 | 6,351 | 631 | 4,457 | 5,088 | 11,439 |
| Rental and Maintenance | 97,839 | 6,522 | 1,819 | 106,180 | 2,798 | 7,751 | 10,549 | 116,729 |
| Professional Fees | 17,680 | 759,728 | 1,222 | 778,630 | 34,568 | 12,371 | 46,939 | 825,569 |
| Professional Fees - Shared Services | 122,681 | 34,800 | 7,306 | 164,787 | 12,667 | 7,636 | 20,303 | 185,090 |
| Insurance | - | - | - | - | 12,742 | - | 12,742 | 12,742 |
| Agency Recruiting | - | - | - | - | 480 | - | 480 | 480 |
| Fundraising | - | - | - | - | - | 28,264 | 28,264 | 28,264 |
| Miscellaneous | 566 | 50 | - | 616 | 16,316 | - | 16,316 | 16,932 |
| Depreciation | 4,207 | 3,842 | 151 | 8,200 | 431 | 460 | 891 | 9,091 |
| Interest and Bank Charges | - | 659 | - | 659 | 9,515 | 55 | 9,570 | 10,229 |
| Direct Assistance to Individuals | 1,301,549 | - | - | 1,301,549 | - | - | - | 1,301,549 |
| Total Other Expenses | <u>1,848,533</u> | <u>908,414</u> | <u>31,205</u> | <u>2,788,152</u> | <u>164,844</u> | <u>88,532</u> | <u>253,376</u> | <u>3,041,528</u> |
| Total Expenses | <u>\$ 3,130,210</u> | <u>\$ 1,275,063</u> | <u>\$ 147,040</u> | <u>\$ 4,552,313</u> | <u>\$ 525,052</u> | <u>\$ 166,440</u> | <u>\$ 691,492</u> | <u>\$ 5,243,805</u> |

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

| | 2017 | 2016 |
|--|------------|------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ 144,454 | \$ 211,738 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities: | | |
| Depreciation Expense | 19,480 | 9,091 |
| Donated Property - Assets Held for Sale | - | (128,315) |
| Donated Property - Property & Equipment | (174,000) | (135,000) |
| Loss on Disposal of Property and Equipment | - | 8,870 |
| Changes in Operating Assets and Liabilities: | | |
| United Way Allocation | 1,116 | (2,713) |
| Government Contracts | 204,907 | (97,169) |
| Pledges Receivable | (39,701) | 6,614 |
| Other Receivables | 40,174 | (28,166) |
| Sales Tax Receivable | (1,631) | 422 |
| Prepaid Expenses | (19,122) | (16,700) |
| Proceeds from Disposal of Assets Held for Sale | 256,630 | - |
| Other Assets | (19,324) | (54,428) |
| Amounts Payable and Other Liabilities | (27,938) | 53,670 |
| Net Cash Provided by (Used in) Operating Activities | 385,045 | (172,086) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of Property and Equipment | (24,941) | (7,434) |
| Net Cash Used in Investing Activities | (24,941) | (7,434) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from Line of Credit | 142,500 | 285,000 |
| Repayment of Line of Credit | (275,000) | (105,000) |
| Payments on Note Payable | - | (37,866) |
| Payments on Capital Lease | (4,430) | - |
| Net Cash Provided by (Used in) Financing Activities | (136,930) | 142,134 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 223,174 | (37,386) |
| Cash and Cash Equivalents - Beginning of Year | 149,835 | 187,221 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 373,009 | \$ 149,835 |
| SUMMARY OF CASH AND CASH EQUIVALENTS | | |
| Unrestricted | \$ 262,927 | \$ 33,272 |
| Temporarily Restricted | 102,560 | 111,041 |
| Permanently Restricted | 7,522 | 5,522 |
| | \$ 373,009 | \$ 149,835 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | | |
| Cash Paid for Interest | \$ 3,477 | \$ 4,474 |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH INFORMATION | | |
| Purchase of Property and Equipment through Capital Lease | \$ 33,504 | \$ - |

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 ORGANIZATION AND PURPOSE

Community Link, Programs of Travelers Aid Society of Central Carolinas, Inc. and its wholly-owned subsidiary, Community Link Home Ownership, LLC (collectively, the Organization) operate as private not-for-profit enterprises. The Organization operates in 25 counties in North Carolina and one in South Carolina, with a mission to enable individuals and families to obtain and sustain safe, decent and affordable housing. The Organization operates three main programs:

Homeless to Housing

Services are provided to help low-to-moderate income homeless individuals and families obtain and sustain appropriate rental housing. Specialized services are also available for veterans, those with disabilities, and the very low income. The Organization's professional housing team members begin with an assessment to help identify a rental unit that an individual can realistically afford and that fits the individual's or family's needs. Relationships with more than 300 property providers across our footprint help to reduce housing barriers. Tenant education on rights and responsibilities is also provided.

Once moved in, support services include temporary rent subsidies, individualized counseling, and connections to other community resources to boost income and/or to promote further stability and self-sufficiency.

Additionally, the Organization administers Travelers Aid, a service that provides free Greyhound bus vouchers to assist individuals and their families who are seeking relocation to a safe, stable, and supportive home. Individuals must be: 1) fleeing domestic violence, 2) exiting jail, or 3) experiencing a medical emergency.

Homeownership

Services are provided primarily to help low-to-moderate income individuals and families buy a home or prevent a home from foreclosure. The Organization is a Housing and Urban Development (HUD)-approved agency and services are provided by Certified Housing Counselors. Individualized counseling is coupled with classroom education to help individuals obtain knowledge and connections to down payment assistance and mortgage relief resources. Services also include basic financial education, including budget and money management and credit reports.

In addition, a Single Family Rehabilitation service is offered in nine counties in North Carolina and provides financial resources for critical house repairs to help low-income, elderly homeowners remain in their homes.

Financial Literacy

Services include the recruitment and training of volunteers to provide free tax preparation and filing for the low-to-moderate income population from mid-January through April 18, and offering monthly financial education sessions to provide practical tips and information to help individuals and families improve their financial stability.

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Community Link, Programs of Travelers Aid Society of Central Carolinas, Inc. and its wholly-owned subsidiary Community Link Home Ownership, LLC. All significant inter-organizational transactions have been eliminated in consolidation.

Consolidated Financial Statement Presentation

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that must be maintained by the Organization in perpetuity. Donors of these assets stipulate that all, or part of, the income earned on related investments be used for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

Estimates

Management of the Organization has made a number of estimates and assumptions relating to reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these consolidated financial statements in conformity with U.S. generally accepted accounting principles. Actual results could differ from those estimates.

Contributions and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are released to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Grants and conditional promises to give are not included as support until such time as the conditions are substantially met or the likelihood of not meeting the conditions is deemed remote.

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uniform Prudent Management of Institutional Funds Act

During fiscal year 2009, The Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) became effective in the state of North Carolina. The Organization adopted the provisions of the financial accounting standard for endowments of not-for-profit organizations (the “UPMIFA Standard”) with respect to the accounting for the corpus and income recognition on endowment funds. This standard did not have a material impact on the Organization’s financial position or results of operations as of or for the years ended June 30, 2017 or 2016.

Cash and Cash Equivalents

Cash and cash equivalents are funds on hand, deposits in banks, and in highly liquid instruments having immediate availability for purposes of the consolidated statements of cash flows, which are prepared using the indirect method.

Unconditional Promises Receivable

Unconditional promises receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Amortization of the discounts is included in contribution revenue.

Government Contracts

Contracts for purchased services and cost reimbursement are recognized as receivables and support when the services have been performed or the reimbursable costs have been incurred. Management believes all government contracts receivable are fully collectible. As such, no allowance for uncollectible amounts has been recorded at June 30, 2017 or 2016.

Assets Held for Sale

Assets held for sale were comprised of homes donated from third parties. These homes were “available for sale” in fiscal year 2016 and were sold in fiscal year 2017.

Property and Equipment

Purchased property and equipment are carried at cost and donated assets are recorded at their fair market value at the date of the gift. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which range from three to fifteen years. Maintenance, repair costs, and minor replacements less than \$500 are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any gain or loss is reflected in current operations.

Donated Services

Donated services, when significant and measurable as to value, are reflected in the consolidated statements of activities as contributions when provided. Volunteers, including officers and directors of the Organization, donate their time in program services and in fundraising. The Organization received donated services in the amounts of approximately \$10,000 and \$12,000 for the years ended June 30, 2017 and 2016, respectively.

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Facility Usage

During the years ended June 30, 2017 and 2016, the Organization received occupancy rent credits in the amounts of approximately \$158,000 and \$149,000, respectively, from its landlord, Children and Family Service Center, Inc. (the Center). These credits are approved by the Center on an annual basis, and are recorded as in-kind revenue and expense in the period in which they are received. Because there are numerous factors used in determining the rental rates each period, the Organization is unable to estimate the amount of below market rent for future periods. Accordingly, no receivable has been recorded in the accompanying consolidated statements of financial position for below market rent.

Donated Assets

The Organization received donated homes in the amounts of approximately \$174,000 and \$263,000 during the years ended June 30, 2017 and 2016, respectively. These amounts are reflected in Assets Held for Sale, Land, and Buildings on the Organization's consolidated statements of financial position.

Functional Allocation of Expenses

Expenses (both direct and indirect) not associated with a specific functional classification are allocated among the various classifications using a formula based on staff utilization in each classification (program, management and general, and fundraising).

Income Taxes

Community Link, Programs of Travelers Aid Society of Central Carolinas, Inc. is a North Carolina not-for-profit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Community Link Home Ownership, LLC is a single member limited liability company. As such, it is considered a disregarded entity for tax purposes.

The Organization is not aware of any activities that would jeopardize its tax-exempt status or any activities that are subject to tax on unrelated business income or excise or other taxes.

The Organization follows the income tax standard for uncertain tax provisions. The Organization has evaluated its tax position and management believes it has no uncertain tax positions as of June 30, 2017 or 2016.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 26, 2017, the date the consolidated financial statements were available to be issued.

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 3 GOVERNMENT CONTRACTS RECEIVABLE

As of June 30, 2017 and 2016, the Organization had the following government contracts receivable:

| | 2017 | 2016 |
|--|------------|------------|
| Carolinas Care Partnership (Formerly Regional HIV/Aids Consortium) | \$ 6,248 | \$ 5,153 |
| City of Charlotte | 54,778 | 125,876 |
| Mecklenburg County Community Support Services | 855 | 5,474 |
| North Carolina Department of Transportation | 2,877 | 7,602 |
| North Carolina Housing Finance Agency | 13,025 | 62,148 |
| North Carolina Department of Health and Human Services | - | 8,996 |
| United States Department of Housing & Urban Development | 102,855 | 178,464 |
| United States Department of Veterans Affairs | 82,124 | 84,879 |
| Other | 10,923 | - |
| | \$ 273,685 | \$ 478,592 |

NOTE 4 PLEDGES RECEIVABLE, NET

Pledges receivable are recorded as temporarily restricted support in the accompanying consolidated statements of activities. Pledges receivable consisted of the following at June 30, 2017 and 2016:

| | 2017 | 2016 |
|---|------------|-----------|
| Due in Less than One Year | \$ 63,974 | \$ 38,237 |
| Due in Two to Five Years | 52,183 | 33,737 |
| | 116,157 | 71,974 |
| Less: Allowance for Uncollectible Pledges | (11,529) | (7,047) |
| Pledges Receivable, Net | \$ 104,628 | \$ 64,927 |

Management determined the discount on pledges due in future periods was not material to the consolidated financial statements. Accordingly, no discount has been recorded as of June 30, 2017 or 2016.

NOTE 5 PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following at June 30, 2017 and 2016:

| | 2017 | 2016 |
|------------------------------------|------------|------------|
| Land | \$ 37,500 | \$ 8,500 |
| Buildings | 362,000 | 197,000 |
| Leasehold Improvements | 83,580 | 83,580 |
| Furniture, Fixtures, and Equipment | 78,633 | 40,188 |
| | 561,713 | 329,268 |
| Less: Accumulated Depreciation | (109,147) | (89,667) |
| Property and Equipment, Net | \$ 452,566 | \$ 239,601 |

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 5 PROPERTY AND EQUIPMENT, NET (CONTINUED)

Total depreciation expense amounted to approximately \$19,500 and \$9,100 for the years ended June 30, 2017 and 2016, respectively. The total cost of items under capital leases was \$33,504 as of June 30, 2017. Total accumulated amortization of items under capital leases was \$5,026 as of June 30, 2017. There were no assets under capital leases as of June 30, 2016.

NOTE 6 LINE OF CREDIT

The Organization entered into a promissory note for a line of credit ("LOC") in the amount of \$200,000. The LOC bears interest at a rate of prime plus 1.5% (5.5% as of June 30, 2017) and requires monthly interest payments. Under the LOC, all unpaid principal will be due on October 5, 2017. At June 30, 2017, the Organization had an outstanding balance of \$47,500 under the LOC. At June 30, 2016, the Organization had an outstanding balance of \$180,000.

Interest expense for the years ended June 30, 2017 and 2016, was approximately \$3,500 and \$4,500, respectively.

NOTE 7 CAPITAL LEASE OBLIGATION

The Organization leases office equipment under a capital lease obligation. Future minimum lease payments under capital lease obligations subsequent to June 30, 2017 are as follows:

| Year Ending June 30, | |
|------------------------------------|-----------|
| 2018 | \$ 7,734 |
| 2019 | 7,734 |
| 2020 | 7,734 |
| 2021 | 7,734 |
| 2022 | 1,934 |
| | 32,870 |
| Less: Amount Representing Interest | (3,823) |
| Capital Lease Obligation | \$ 29,047 |

NOTE 8 SPECIAL EVENT

During the years ended June 30, 2017 and 2016, the Organization held the Sweet Escapes special event. Total revenues recognized from this special event were approximately \$128,000 and \$92,000 and direct expenses were approximately \$27,000 and \$30,400, for net special event income of approximately \$101,000 and \$61,600, for the years ended June 30, 2017 and 2016, respectively. Special events revenues are recorded in contribution income and expenses are recorded in fundraising expenses in the accompanying consolidated statements of activities. In addition to the \$128,000 and \$92,000 in special event revenue for 2017 and 2016, respectively, there was \$22,500 and \$34,400 in contribution revenue raised on the day of the event for 2017 and 2016, respectively.

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 9 RETIREMENT PLAN

In August 2009, the Organization began participating in the CFSC Shared Services, LLC 401(k) plan (the Plan), a defined contribution retirement savings plan which covers all full-time and part-time employees of the Organization who meet minimum eligibility requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Each year, participants may contribute up to 85% of their annual compensation on a pre-tax basis not to exceed \$18,000 as specified by the IRS for the calendar year 2017, beginning the first day of the quarter following date of hire. The Organization contributes a matching contribution of 100% of the first 1% of base compensation that a participant contributes and 50% of the next 5% that a participant contributes.

The Organization's contributions to the Plan for the years ended June 30, 2017 and 2016 were approximately \$23,500 and \$18,600, respectively.

On March 9, 2011 CFSC Shared Services, LLC established a non-qualified deferred compensation plan under section 457(b) of the Internal Revenue Code, for the benefit of a select group of its management or highly compensated employees of participating employers. This plan was effective retrospectively to January 1, 2011. The Organization entered the plan on July 1, 2011. In connection with this plan, a rabbi trust was established to provide assets to pay all or a portion of the benefits accrued under the plan. As of June 30, 2017 and 2016 there was one participant from the Organization in the plan. The Organization deposited approximately \$12,000 in the trust during each of the years ended June 30, 2017 and 2016.

NOTE 10 RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2017 and 2016:

| | 2017 | 2016 |
|---|------------|--------------|
| Program Restrictions: | | |
| Homeless to Housing | \$ 10,788 | \$ 8,121 |
| Homeownership | 428,480 | 514,861 |
| Financial Literacy | 32,070 | 37,998 |
| Total Program Restrictions | 471,338 | 560,980 |
| Time Restrictions: | | |
| United Way | 348,491 | 349,607 |
| Sisters of Mercy | - | 45,000 |
| Pledges | 98,836 | 63,501 |
| Total Time Restrictions | 447,327 | 458,108 |
| Total Temporarily Restricted Net Assets | \$ 918,665 | \$ 1,019,088 |

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 10 RESTRICTED NET ASSETS (CONTINUED)

The Organization had approximately \$8,400 of permanently restricted net assets as of June 30, 2017 and 2016. The funds received were held in a mutual fund during the years ended June 30, 2017 and 2016. The Organization had approximately \$1,000 and \$2,900 of permanently restricted unconditional pledges outstanding at June 30, 2017 and 2016, respectively.

NOTE 11 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions are summarized as follows for the years ended June 30, 2017 and 2016:

| | <u>2017</u> | <u>2016</u> |
|---|---------------------|-------------------|
| Program Restrictions: | | |
| Homeownership | \$ 275,455 | \$ 17,753 |
| Financial Literacy | 99,103 | 113,267 |
| Homeless to Housing | 155,037 | 100,000 |
| Total Program Restrictions | <u>529,595</u> | <u>231,020</u> |
| Time Restrictions: | | |
| United Way | 349,607 | 346,894 |
| Sisters of Mercy | 45,000 | - |
| Pledges | 109,717 | 38,544 |
| Total Time Restrictions | <u>504,324</u> | <u>385,438</u> |
| Total Net Assets Released from Restrictions | <u>\$ 1,033,919</u> | <u>\$ 616,458</u> |

NOTE 12 RISKS AND UNCERTAINTIES

The Organization places its cash and cash equivalents with a financial institution which is insured by the Federal Deposit Insurance Corporation. At times the Organization may have balances in excess of the FDIC insured limit. Management believes any risk with respect to these deposits is minimal.

The Organization receives a substantial part of its operating funds from government cost-reimbursement contracts. The Organization also receives a significant part of its operating funds from United Way of the Central Carolinas, Inc. Curtailment or cancellation of funds from these sources could have a material effect on the future operations of the Organization.

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 12 RISKS AND UNCERTAINTIES (CONTINUED)

The Organization participates in a number of federal and state grant programs, the expenditures for which are subject to audit from the respective funding agencies and/or the General Accounting Office. Upon examination, expenditures could be disallowed and refunds required. Management has not been notified that any such audits are forthcoming, and is not aware of any expenditures for which such disallowances and refunds would be required by funding agencies.

The Organization receives significant rent credits from the Center on an annual basis (See Note 2: Donated Facility Usage); however, there is no guarantee such credits will continue in the future.

NOTE 13 LICENSE TO SOLICIT

The Organization has obtained from the Secretary of State of both North Carolina and South Carolina a license to solicit charitable contributions. The licenses, which must be renewed annually, expire November 15, 2017.

NOTE 14 OPERATING LEASE AGREEMENTS

The Organization leases office space under a ten-year agreement with the Center, a nonprofit organization created to construct and maintain an office building (Carol Grotnes Belk Building (the "Building")) to house Charlotte nonprofit agencies serving children and families in a central location at an affordable rate. The lease agreement also includes use of certain furniture, storage space, telephone system, computer equipment, and information technology and other collaborative services. The lease was set to expire on March 31, 2013 and was renewable for three additional ten-year periods, and a fourth period ending December 31, 2052. In February 2012, the Organization amended the lease agreement to terminate a sublease, include additional square footage and renew the current lease through January 31, 2022. In May 2016, the Organization amended the lease agreement to terminate the additional square footage that was added in the February 2012 amendment. For the years ended June 30, 2017 and 2016, the lease agreement required monthly payments of approximately \$16,300. Lease payments may be changed at the Center's discretion.

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 14 OPERATING LEASE AGREEMENTS (CONTINUED)

Estimated future aggregate minimum annual payments under operating lease agreements for office space, certain furniture, information technology, collaborative services and other office equipment are due as follows:

| <u>Year Ending June 30.</u> | |
|-----------------------------|-------------------|
| 2018 | \$ 200,976 |
| 2019 | 200,976 |
| 2020 | 200,976 |
| 2021 | 200,976 |
| 2022 | 117,236 |
| | <u>\$ 921,140</u> |

Total rent expense for the years ended June 30, 2017 and 2016 was approximately \$195,000 and \$198,000, respectively.

NOTE 15 COLLABORATIVE SERVICES

The Organization participates in a collaboration agreement with the Center and several other nonprofit agencies located in the Building to share financial and human resources functions. The collaboration will continue through the termination of the Organization's Building lease. If the Organization renews its Building lease, the collaboration agreement will be automatically extended for a period coterminous with the lease.

NOTE 16 RELATED PARTY TRANSACTIONS

The Organization had approximately \$55,000 and \$25,700 in pledges receivable from Board members as of June 30, 2017 and 2016, respectively.

SUPPLEMENTARY INFORMATION



CliftonLarsonAllen

CliftonLarsonAllen LLP

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**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

Board of Directors
Community Link, Programs of Travelers Aid Society
of Central Carolinas, Inc. and Subsidiary
Charlotte, North Carolina

We have audited the consolidated financial statements of the Organization as of and for the year ended June 30, 2017, and have issued our report thereon dated September 26, 2017, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The Computation of Indirect Cost Allocation Rate, Consolidating Statement of Financial Position and Consolidating Statement of Activities are presented for the purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
September 26, 2017

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
COMPUTATION OF INDIRECT COST ALLOCATION RATE
YEAR ENDED JUNE 30, 2017**

| | Direct Costs | Support Costs | Fundraising | Totals |
|--|------------------------|---------------|-------------|--------------|
| Personnel Expenses | \$ 1,722,115 | \$ - | \$ - | \$ 1,722,115 |
| Direct Assistance to Individuals | 1,373,434 | - | - | 1,373,434 |
| Indirect Costs | - | 977,620 | - | 977,620 |
| Management and General | - | 541,442 | - | 541,442 |
| Fundraising | - | - | 159,212 | 159,212 |
| | 3,095,549 | 1,519,062 | 159,212 | 4,773,823 |
| Less: Adjustments Required by Uniform Guidance ¹ | - | (177,658) | - | (177,658) |
| | \$ 3,095,549 | \$ 1,341,404 | \$ 159,212 | \$ 4,596,165 |
| Indirect Cost Allocation Rate | \$ 1,341,404 | = | 41.21% | |
| | 3,254,761 ² | | | |

The indirect cost allocation rate is determined using the Simplified Allocation Method and is based on actual expenses and depreciation/amortization charges.

Comprised of the following:

| | |
|---------------------------|---------------------------|
| Interest and Bank Charges | \$ 9,780 |
| Rent Credits | 158,308 |
| Bad Debts | 9,570 |
| | \$ 177,658 ¹ |
| Direct Costs | \$ 3,095,549 |
| Fundraising | 159,212 |
| | \$ 3,254,761 ² |

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION BY ENTITY
JUNE 30, 2017**

| ASSETS | Community Link Programs of Travelers Aid Society of Central Carolinas, Inc. | Community Link Home Ownership, LLC | Eliminations | Total |
|---|--|---|---------------------|---------------------|
| CASH AND CASH EQUIVALENTS | \$ 132,708 | \$ 240,301 | \$ - | \$ 373,009 |
| AMOUNTS RECEIVABLE | | | | |
| United Way Allocation | 348,491 | - | - | 348,491 |
| Government Contracts | 273,685 | - | - | 273,685 |
| Pledges Receivable, Net | 104,628 | - | - | 104,628 |
| Other Receivables | 24,070 | - | - | 24,070 |
| Sales Tax Receivable | 3,173 | - | - | 3,173 |
| | <u>886,755</u> | <u>240,301</u> | <u>-</u> | <u>1,127,056</u> |
| DUE FROM AFFILIATE | 105,706 | 6,959 | (112,665) | - |
| PREPAID EXPENSES | 42,974 | 1,000 | - | 43,974 |
| ASSETS HELD FOR SALE | - | - | - | - |
| OTHER ASSETS | 73,752 | - | - | 73,752 |
| PROPERTY AND EQUIPMENT, NET | | | | |
| Land | - | 37,500 | - | 37,500 |
| Buildings | - | 362,000 | - | 362,000 |
| Leashold Improvements | 83,580 | - | - | 83,580 |
| Furniture, Fixtures, and Equipment | 73,692 | 4,941 | - | 78,633 |
| Less: Accumulated Depreciation | (99,055) | (10,092) | - | (109,147) |
| Total Property and Equipment, Net | <u>58,217</u> | <u>394,349</u> | <u>-</u> | <u>452,566</u> |
| Total Assets | <u>\$ 1,167,404</u> | <u>\$ 642,609</u> | <u>\$ (112,665)</u> | <u>\$ 1,697,348</u> |
| LIABILITIES AND NET ASSETS | | | | |
| LIABILITIES | | | | |
| Amounts Payable and Other | \$ 171,579 | \$ 300 | \$ - | \$ 171,879 |
| Due to Affiliate | 97,358 | 15,307 | (112,665) | - |
| Capital Lease Payable | 29,074 | - | - | 29,074 |
| Line of Credit | 47,500 | - | - | 47,500 |
| Total Liabilities | <u>345,511</u> | <u>15,607</u> | <u>(112,665)</u> | <u>248,453</u> |
| NET ASSETS | | | | |
| Unrestricted | 271,443 | 250,415 | - | 521,858 |
| Temporarily Restricted | 542,078 | 376,587 | - | 918,665 |
| Permanently Restricted | 8,372 | - | - | 8,372 |
| Total Net Assets | <u>821,893</u> | <u>627,002</u> | <u>-</u> | <u>1,448,895</u> |
| Total Liabilities and Net Assets | <u>\$ 1,167,404</u> | <u>\$ 642,609</u> | <u>\$ (112,665)</u> | <u>\$ 1,697,348</u> |

**COMMUNITY LINK, PROGRAMS OF TRAVELERS AID SOCIETY
OF CENTRAL CAROLINAS, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES BY ENTITY
YEAR ENDED JUNE 30, 2017**

| | Community Link, Program of Travelers Aid Society of Central Carolinas, Inc. | | | Community Link Home Ownership, LLC | | Total Unrestricted | Total Temporarily Restricted | Total Permanently Restricted |
|--|---|---------------------------|---------------------------|---------------------------------------|---------------------------|-----------------------|------------------------------------|------------------------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | Unrestricted | Temporarily Restricted | | | |
| | | | | | | | | |
| SUPPORT AND OTHER SUPPORT | | | | | | | | |
| United Way | \$ 2,615 | \$ 348,491 | \$ - | \$ - | \$ - | \$ 2,615 | \$ 348,491 | \$ - |
| Contributions/Grants/Contracts | 408,270 | 410,001 | - | - | - | 408,270 | 410,001 | - |
| Government Contracts | 3,335,041 | - | - | - | - | 3,335,041 | - | - |
| In-kind (Rent Credit and Other) | 168,308 | - | - | - | 174,000 | 168,308 | 174,000 | - |
| | <u>3,914,234</u> | <u>758,492</u> | <u>-</u> | <u>-</u> | <u>174,000</u> | <u>3,914,234</u> | <u>932,492</u> | <u>-</u> |
| OTHER | | | | | | | | |
| Interest and Investment Income, Net | 7,407 | 1,004 | - | - | - | 7,407 | 1,004 | - |
| Rental Income | - | - | - | 21,678 | - | 21,678 | - | - |
| Miscellaneous | 9,375 | - | - | - | - | 9,375 | - | - |
| Service Fees | 32,087 | - | - | - | - | 32,087 | - | - |
| | <u>48,869</u> | <u>1,004</u> | <u>-</u> | <u>21,678</u> | <u>-</u> | <u>70,547</u> | <u>1,004</u> | <u>-</u> |
| NET ASSETS RELEASED FROM RESTRICTIONS | | | | | | | | |
| Satisfaction of Program/Purpose Restrictions | 272,965 | (272,965) | - | 256,630 | (256,630) | 529,595 | (529,595) | - |
| Satisfaction of Time/Purpose Restrictions | 504,324 | (504,324) | - | - | - | 504,324 | (504,324) | - |
| | <u>777,289</u> | <u>(777,289)</u> | <u>-</u> | <u>256,630</u> | <u>(256,630)</u> | <u>1,033,919</u> | <u>(1,033,919)</u> | <u>-</u> |
| Total Support and Other | 4,740,392 | (17,793) | - | 278,308 | (82,630) | 5,018,700 | (100,423) | - |
| EXPENSES | | | | | | | | |
| PROGRAM SERVICES | | | | | | | | |
| Homeless to Housing | 3,177,192 | - | - | - | - | 3,177,192 | - | - |
| Homeownership | 709,477 | - | - | 32,456 | - | 741,933 | - | - |
| Financial Literacy | 154,044 | - | - | - | - | 154,044 | - | - |
| Total Program Services | <u>4,040,713</u> | <u>-</u> | <u>-</u> | <u>32,456</u> | <u>-</u> | <u>4,073,169</u> | <u>-</u> | <u>-</u> |
| SUPPORTING SERVICES | | | | | | | | |
| Management and General | 541,442 | - | - | - | - | 541,442 | - | - |
| Fundraising | 159,212 | - | - | - | - | 159,212 | - | - |
| Total Supporting Services | <u>700,654</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>700,654</u> | <u>-</u> | <u>-</u> |
| Total Expenses | 4,741,367 | - | - | 32,456 | - | 4,773,823 | - | - |
| Loss on Equipment Disposals | - | - | - | - | - | - | - | - |
| CHANGE IN NET ASSETS | (975) | (17,793) | - | 245,852 | (82,630) | 244,877 | (100,423) | - |
| Net Assets at Beginning of Year | <u>272,418</u> | <u>559,871</u> | <u>8,372</u> | <u>4,563</u> | <u>459,217</u> | <u>276,981</u> | <u>1,019,088</u> | <u>8,372</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 271,443</u> | <u>\$ 542,078</u> | <u>\$ 8,372</u> | <u>\$ 250,415</u> | <u>\$ 376,587</u> | <u>\$ 521,858</u> | <u>\$ 918,665</u> | <u>\$ 8,372</u> |