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ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Southwest Alabama Workforce Development Council Region 9, Inc.
Mobile, Alabama

Management is responsible for the accompanying financial statements of Southwest Alabama Workforce Development Council Region 9, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—modified cash basis as of September 30, 2017, and the related statements of support, revenues and expenses—modified cash basis for the one month and for the twelve months then ended, in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position and changes in net assets. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Supplementary Information

The supplementary information contained in Schedules I, II, III, IV, V and VI is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary

An independently owned member
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information and do not express an opinion, a conclusion, nor provide any assurance on such information.

We are not independent with respect to Southwest Alabama Workforce Development Council Region 9, Inc.

Crow Shields Bailey, PC

Mobile, Alabama

October 20, 2017

**SOUTHWEST ALABAMA WORKFORCE DEVELOPMENT COUNCIL REGION 9, INC.
 STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH BASIS
 (SEE ACCOUNTANTS’ COMPILATION REPORT)**

Assets

	September 30, 2017
Current assets	
Compass - operating	\$ 496,163.17
Compass - money market	112,407.17
Total current assets	608,570.34
Property and equipment	
Equipment	2,562.94
Accumulated depreciation	(2,393.66)
Total property and equipment, net	169.28
	\$ 608,739.62

Liabilities and Net Assets

Current liabilities	
AL unemployment tax payable	\$ 45.09
AL withholding payable	538.83
Total current liabilities	583.92
Net assets	
Unrestricted net assets	420,177.22
Net income	187,978.48
Total net assets	608,155.70
	\$ 608,739.62

**SOUTHWEST ALABAMA WORKFORCE DEVELOPMENT COUNCIL REGION 9, INC.
 STATEMENTS OF SUPPORT, REVENUES AND EXPENSES – MODIFIED CASH BASIS
 (SEE ACCOUNTANTS’ COMPILATION REPORT)**

	One month ended September 30, 2017	Twelve months ended September 30, 2017
Support and revenues		
Contributions - unrestricted	\$ 18,371.50	\$ 222,288.48
Contributions - restricted	79,231.91	447,392.60
Interest income	9.55	165.05
Total support and revenues	<u>97,612.96</u>	<u>669,846.13</u>
Expenses		
Accounting fees	970.50	18,912.50
Advertising and marketing	-	500.00
Catering	9,965.70	9,965.70
Depreciation	30.15	360.70
Dues and subscriptions	1,159.85	4,411.70
Employee benefits	2,001.74	26,469.40
Insurance	1,535.00	5,741.00
Meetings	-	7,251.03
Other expense	2,170.15	84,104.81
Payroll tax	1,067.99	18,423.70
Postage and shipping	-	123.05
Rent	33,230.55	40,730.55
Salaries and wages	13,371.32	209,434.08
Supplies	10,579.21	39,440.57
Telephone	470.08	6,727.29
Travel	96.84	9,271.57
Total expenses	<u>76,649.08</u>	<u>481,867.65</u>
Change in net assets	<u>\$ 20,963.88</u>	<u>\$ 187,978.48</u>

SOUTHWEST ALABAMA WORKFORCE DEVELOPMENT COUNCIL REGION 9, INC.
SCHEDULE I - SUPPORT, REVENUES AND EXPENSES COMPARED TO BUDGET - MODIFIED CASH BASIS
(SEE ACCOUNTANTS' COMPILATION REPORT)

	One month ended September 30, 2017 Actual	One month ended September 30, 2017 Budget	Variance	Twelve months ended September 30, 2017 Actual	Twelve months ended September 30, 2017 Budget	Variance
Support and revenues						
Contributions - unrestricted	\$ 18,371.50	\$ -	\$ 18,371.50	\$ 222,288.48	\$ 224,463.00	\$ (2,174.52)
Contributions - restricted	79,231.91	12,987.00	66,244.91	447,392.60	420,052.64	27,339.96
Interest income	9.55	12.00	(2.45)	165.05	144.00	21.05
Total support and revenues	<u>97,612.96</u>	<u>12,999.00</u>	<u>84,613.96</u>	<u>669,846.13</u>	<u>644,659.64</u>	<u>25,186.49</u>
Expenses						
Accounting fees	970.50	1,000.00	(29.50)	18,912.50	20,000.00	(1,087.50)
Advertising and marketing	-	100.00	(100.00)	500.00	5,200.00	(4,700.00)
Catering	9,965.70	10,000.00	(34.30)	9,965.70	10,000.00	(34.30)
Depreciation	30.15	45.00	(14.85)	360.70	540.00	(179.30)
Dues and subscriptions	1,159.85	250.00	909.85	4,411.70	5,355.00	(943.30)
Employee benefits	2,001.74	4,291.63	(2,289.89)	26,469.40	51,500.00	(25,030.60)
Insurance	1,535.00	-	1,535.00	5,741.00	5,610.00	131.00
Meetings	-	1,000.00	(1,000.00)	7,251.03	4,500.00	2,751.03
Other expense	2,170.15	24,000.00	(21,829.85)	84,104.81	103,000.00	(18,895.19)
Payroll tax	1,067.99	1,641.59	(573.60)	18,423.70	20,898.75	(2,475.05)
Postage and shipping	-	20.00	(20.00)	123.05	240.00	(116.95)
Rent	33,230.55	35,750.00	(2,519.45)	40,730.55	48,750.00	(8,019.45)
Salaries and wages	13,371.32	21,458.37	(8,087.05)	209,434.08	257,500.00	(48,065.92)
Supplies	10,579.21	10,700.00	(120.79)	39,440.57	44,100.00	(4,659.43)
Telephone	470.08	800.00	(329.92)	6,727.29	9,600.00	(2,872.71)
Travel	96.84	750.00	(653.16)	9,271.57	10,500.00	(1,228.43)
Total expenses	<u>76,649.08</u>	<u>111,806.59</u>	<u>(35,157.51)</u>	<u>481,867.65</u>	<u>597,293.75</u>	<u>(115,426.10)</u>
 Change in net assets	 <u>\$ 20,963.88</u>	 <u>\$ (98,807.59)</u>	 <u>\$ 119,771.47</u>	 <u>\$ 187,978.48</u>	 <u>\$ 47,365.89</u>	 <u>\$ 140,612.59</u>

SOUTHWEST ALABAMA WORKFORCE DEVELOPMENT COUNCIL REGION 9, INC.
SCHEDULE II - SUPPORT, REVENUES AND EXPENSES COMPARED TO BUDGET - MODIFIED CASH BASIS
(SEE ACCOUNTANTS' COMPILATION REPORT)

	General One month ended September 30, 2017 Actual	General One month ended September 30, 2017 Budget	Variance	General Twelve months ended September 30, 2017 Actual	General Twelve months ended September 30, 2017 Budget	Variance
Support and revenues						
Contributions - unrestricted	\$ 18,371.50	\$ -	\$ 18,371.50	\$ 222,288.48	\$ 224,463.00	\$ (2,174.52)
Contributions - restricted	-	-	-	18,231.00	-	18,231.00
Interest income	9.55	12.00	(2.45)	165.05	144.00	21.05
Total support and revenues	<u>18,381.05</u>	<u>12.00</u>	<u>18,369.05</u>	<u>240,684.53</u>	<u>224,607.00</u>	<u>16,077.53</u>
Expenses						
Accounting fees	970.50	1,000.00	(29.50)	18,912.50	20,000.00	(1,087.50)
Advertising and marketing	-	100.00	(100.00)	300.00	3,700.00	(3,400.00)
Depreciation	30.15	45.00	(14.85)	360.70	540.00	(179.30)
Dues and subscriptions	1,159.85	250.00	909.85	4,411.70	5,355.00	(943.30)
Employee benefits	1,316.29	3,635.38	(2,319.09)	18,979.89	43,625.00	(24,645.11)
Insurance	-	-	-	4,206.00	4,010.00	196.00
Meetings	-	1,000.00	(1,000.00)	7,192.32	4,500.00	2,692.32
Other expense	1,618.75	-	1,618.75	32,401.63	18,000.00	14,401.63
Payroll tax	-	1,306.90	(1,306.90)	10,316.35	16,882.47	(6,566.12)
Postage and shipping	-	20.00	(20.00)	123.05	240.00	(116.95)
Rent	500.00	1,000.00	(500.00)	6,000.00	12,000.00	(6,000.00)
Salaries and wages	-	17,083.37	(17,083.37)	19,943.10	62,143.00	(42,199.90)
Supplies	319.87	200.00	119.87	3,578.56	3,600.00	(21.44)
Telephone	470.08	800.00	(329.92)	6,727.29	9,600.00	(2,872.71)
Travel	96.84	750.00	(653.16)	9,261.31	10,500.00	(1,238.69)
Total expenses	<u>6,482.33</u>	<u>27,190.65</u>	<u>(20,708.32)</u>	<u>142,714.40</u>	<u>214,695.47</u>	<u>(71,981.07)</u>
Change in net assets	<u>\$ 11,898.72</u>	<u>\$ (27,178.65)</u>	<u>\$ 39,077.37</u>	<u>\$ 97,970.13</u>	<u>\$ 9,911.53</u>	<u>\$ 88,058.60</u>

SOUTHWEST ALABAMA WORKFORCE DEVELOPMENT COUNCIL REGION 9, INC.
SCHEDULE III - SUPPORT, REVENUES AND EXPENSES COMPARED TO BUDGET - MODIFIED CASH BASIS
(SEE ACCOUNTANTS' COMPILATION REPORT)

	WOO One month ended September 30, 2017 Actual	WOO One month ended September 30, 2017 Budget	Variance	WOO Twelve months ended September 30, 2017 Actual	WOO Twelve months ended September 30, 2017 Budget	Variance
Support and revenues						
Contributions - restricted	\$ 50,500.00	\$ -	\$ 50,500.00	\$ 132,753.50	\$ 140,000.00	\$ (7,246.50)
Total support and revenues	50,500.00	-	50,500.00	132,753.50	140,000.00	(7,246.50)
Expenses						
Advertising and marketing	-	-	-	200.00	1,500.00	(1,300.00)
Catering	9,965.70	10,000.00	(34.30)	9,965.70	10,000.00	(34.30)
Insurance	1,535.00	-	1,535.00	1,535.00	1,600.00	(65.00)
Meetings	-	-	-	58.71	-	58.71
Other expense	551.40	24,000.00	(23,448.60)	6,703.18	40,000.00	(33,296.82)
Rent	32,730.55	34,750.00	(2,019.45)	34,730.55	36,750.00	(2,019.45)
Supplies	10,259.34	10,500.00	(240.66)	35,862.01	40,500.00	(4,637.99)
Travel	-	-	-	10.26	-	10.26
Total expenses	55,041.99	79,250.00	(24,208.01)	89,065.41	130,350.00	(41,284.59)
 Change in net assets	 \$ (4,541.99)	 \$ (79,250.00)	 \$ 74,708.01	 \$ 43,688.09	 \$ 9,650.00	 \$ 34,038.09

SOUTHWEST ALABAMA WORKFORCE DEVELOPMENT COUNCIL REGION 9, INC.
SCHEDULE IV - SUPPORT, REVENUES AND EXPENSES COMPARED TO BUDGET - MODIFIED CASH BASIS
(SEE ACCOUNTANTS' COMPILATION REPORT)

	DRA One month ended September 30, 2017 Actual	DRA One month ended September 30, 2017 Budget	Variance	DRA Twelve months ended September 30, 2017 Actual	DRA Twelve months ended September 30, 2017 Budget	Variance
Support and revenues						
Contributions - restricted	\$ -	\$ -	\$ -	\$ 105,000.00	\$ 105,000.00	\$ -
Total support and revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,000.00</u>	<u>105,000.00</u>	<u>-</u>
Expenses						
Other expense	-	-	-	45,000.00	45,000.00	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000.00</u>	<u>45,000.00</u>	<u>-</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ -</u>

SOUTHWEST ALABAMA WORKFORCE DEVELOPMENT COUNCIL REGION 9, INC.
SCHEDULE V - SUPPORT, REVENUES AND EXPENSES COMPARED TO BUDGET - MODIFIED CASH BASIS
(SEE ACCOUNTANTS' COMPILATION REPORT)

	AIDT MTC One month ended September 30, 2017 Actual	AIDT MTC One month ended September 30, 2017 Budget	Variance	AIDT MTC Twelve months ended September 30, 2017 Actual	AIDT MTC Twelve months ended September 30, 2017 Budget	Variance
Support and revenues						
Contributions - restricted	\$ 10,790.27	\$ -	\$ 10,790.27	\$ 60,599.64	\$ 32,195.64	\$ 28,404.00
Total support and revenues	<u>10,790.27</u>	<u>-</u>	<u>10,790.27</u>	<u>60,599.64</u>	<u>32,195.64</u>	<u>28,404.00</u>
Expenses						
Employee benefits	685.45	656.25	29.20	7,489.51	7,875.00	(385.49)
Payroll tax	334.69	334.69	-	4,560.25	4,016.28	543.97
Salaries and wages	4,375.00	4,375.00	-	52,500.00	52,500.00	-
Total expenses	<u>5,395.14</u>	<u>5,365.94</u>	<u>29.20</u>	<u>64,549.76</u>	<u>64,391.28</u>	<u>158.48</u>
Change in net assets	<u>\$ 5,395.13</u>	<u>\$ (5,365.94)</u>	<u>\$ 10,761.07</u>	<u>\$ (3,950.12)</u>	<u>\$ (32,195.64)</u>	<u>\$ 28,245.52</u>

SOUTHWEST ALABAMA WORKFORCE DEVELOPMENT COUNCIL REGION 9, INC.
SCHEDULE VI - SUPPORT, REVENUES AND EXPENSES COMPARED TO BUDGET - MODIFIED CASH BASIS
(SEE ACCOUNTANTS' COMPILATION REPORT)

	AIDT RWC One month ended September 30, 2017 Actual	AIDT RWC One month ended September 30, 2017 Budget	Variance	AIDT RWC Twelve months ended September 30, 2017 Actual	AIDT RWC Twelve months ended September 30, 2017 Budget	Variance
Support and revenues						
Contributions - restricted	\$ 17,941.64	\$ 12,987.00	\$ 4,954.64	\$ 130,808.46	\$ 142,857.00	\$ (12,048.54)
Total support and revenues	<u>17,941.64</u>	<u>12,987.00</u>	<u>4,954.64</u>	<u>130,808.46</u>	<u>142,857.00</u>	<u>(12,048.54)</u>
Expenses						
Payroll tax	733.30	-	733.30	3,547.10	-	3,547.10
Salaries and wages	8,996.32	-	8,996.32	136,990.98	142,857.00	(5,866.02)
Total expenses	<u>9,729.62</u>	<u>-</u>	<u>9,729.62</u>	<u>140,538.08</u>	<u>142,857.00</u>	<u>(2,318.92)</u>
 Change in net assets	 <u>\$ 8,212.02</u>	 <u>\$ 12,987.00</u>	 <u>\$ (4,774.98)</u>	 <u>\$ (9,729.62)</u>	 <u>\$ -</u>	 <u>\$ (9,729.62)</u>