Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

The management of Doorways for Women and Families, Inc. ("Doorways") is pleased to provide supplemental information to assist financial statement readers in understanding our financial condition and operating results as of and for the fiscal year ended June 30, 2017 ("FY2017").

As expected, FY2017 contributions declined in comparison to the 2016 fiscal year, during which The Campaign for Brighter Futures was launched. The response to this campaign, which will span three years with a goal of securing $10 million of private donor support, is expected to follow the traditional campaign arc whereby 40-50% of targeted donor support is pledged during the initial year of the campaign, and lesser amounts each year thereafter. Notwithstanding the FY2017 decline in pledged contributions, Doorways' benefitted from strong cash payments of The Campaign for Brighter Futures pledges made in FY2017 and prior, which resulted in a significant release of net assets that were temporarily restricted pending pledge payment.

During FY2017, Doorways also benefitted from significant and historic shifts in federal, state and local government funding for sexual and domestic violence services. Increased state funding allowed expansion of both the Domestic Violence & Sexual Assault and Children's Mental Health programs. And, increased local government support provided full-year funding of the Revive Counseling program, which was operated in start-up mode during the 2016 fiscal year.

Consistent with expectations, foundation support declined during FY2017 as the planned wind-down of the Freddie Mac Foundation continued. Freddie Mac Foundation's support was reduced $87,500 during FY2017, which was the final year of support from the Foundation. Strong market conditions led to significant investment income during FY2017, with most of the gains unrealized.

Management understands acutely that Doorways' donors give to make a profound difference in the lives of those in great need, and is proud and thankful that it has earned the donor community's respect and confidence. During the current fiscal year, Doorways' management will continue to honor this trust by striving to carry on our tradition of meeting our client's needs in the most efficient, cost-effective manner possible while remaining focused on lasting outcomes in their safety and stability. We will continue to safeguard financial resources that have been entrusted to us through an appropriate internal control environment with an emphasis on strong budgetary control and routine periodic governance review.

CONSOLIDATED FINANCIAL STATEMENTS

DOORWAYS
for women and families

FOR THE YEAR ENDED JUNE 30, 2017
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2016

DOORWAYS FOR WOMEN AND FAMILIES, INC.

CONTENTS

GELMAN, ROSENBERG
& FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Doorways for Women and Families, Inc.
Doorways Cameron, LLC
Arlington, Virginia

We have audited the accompanying consolidated financial statements of Doorways for Women and Families, Inc. and Doorways Cameron, LLC (collectively, Doorways), which comprise the consolidated statement of financial position as of June 30, 2017, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 auditor's 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.

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 consolidated financial position of Doorways as of June 30, 2017, and the consolidated change in its net assets and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Report on Summarized Comparative Information

We have previously audited Doorways' 2016 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 5, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Gelman Rosenberg & Freedman

October 6, 2017

DOORWAYS FOR WOMEN AND FAMILIES, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016

ASSETS

	2017	2016
CURRENT ASSETS		
Cash and cash equivalents:		
Unrestricted	$ 1,940,897	$ 1,384,846
Restricted cash (Note 5)	6,571	3,677
Total cash and cash equivalents	1,947,468	1,388,523
Grants receivable	164,605	142,730
Pledges receivable, current portion (Note 4)	612,299	680,092
Inventory (Note 10)	22,493	8,863
Prepaid expenses	35,953	31,627
Total current assets	2,782,818	2,251,835
FIXED ASSETS		
Land	154,800	154,800
Building - Family Home (Note 6)	2,253,964	2,253,324
Building - Safehouse	548,671	548,671
Furniture and fixtures	124,428	122,002
Computer equipment	137,558	124,936
Software	-	7,659
Leasehold improvements	22,993	15,424
	3,242,414	3,226,816
Less: Accumulated depreciation and amortization	(1,136,468)	(1,023,652)
Net fixed assets	2,105,946	2,203,164
NONCURRENT ASSETS		
Investments (Notes 2 and 14)	1,259,842	1,138,534
Investment in Cameron Commons, LLC (Note 3)	1,061,795	1,065,344
Pledges receivable, net of current portion, discount, and allowance for uncollectable accounts of $265,783 and $303,377 in 2017 and 2016, respectively (Note 4)	939,257	1,202,337
Deposits	12,545	12,545
Total noncurrent assets	3,273,439	3,418,760
TOTAL ASSETS	$ 8,162,203	$ 7,873,759

See accompanying notes to consolidated financial statements.

LIABILITIES AND NET ASSETS

	2017	2016
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 190,491	$ 146,534
Deferred income	-	60,000
Deposits held in escrow (Note 5)	6,571	3,677
Total current liabilities	197,062	210,211
LONG-TERM LIABILITIES		
Community Development Block Grant Fund conditional debt (Note 6)	600,000	600,000
Arlington County conditional debt (Note 3)	757,495	757,495
Deferred rent liability (Note 11)	17,870	9,867
Total long-term liabilities	1,375,365	1,367,362
Total liabilities	1,572,427	1,577,573
NET ASSETS		
Unrestricted:		
Undesignated	710,598	369,521
Invested in unrestricted fixed assets	1,953,834	2,023,872
Board designated (Note 7)	1,799,791	1,430,397
Total unrestricted	4,464,223	3,823,790
Temporarily restricted (Note 8)	2,125,553	2,472,396
Total net assets	6,589,776	6,296,186
TOTAL LIABILITIES AND NET ASSETS	**$ 8,162,203**	**$ 7,873,759**

DOORWAYS FOR WOMEN AND FAMILIES, INC.

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016**

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUE				
Contributions	$ 1,011,876	$ 475,916	$ 1,487,792	$ 3,057,507
Foundation grants	545,147	65,000	610,147	699,752
Government grants and contracts	2,261,155	-	2,261,155	1,498,714
Investment income (loss) (Note 2)	149,881	-	149,881	(1,773)
Investment loss in Cameron Commons, LLC (Note 3)	(3,549)	-	(3,549)	(15,868)
In-kind contributions (Note 10)	221,960	-	221,960	240,293
Special event revenue	90,603	-	90,603	92,001
Other revenue	2,578	-	2,578	2,915
Net assets released from donor restrictions (Note 9)	887,759	(887,759)	-	-
Total support and revenue	5,167,410	(346,843)	4,820,567	5,573,541
EXPENSES				
Program Services:				
Domestic Violence	1,010,714	-	1,010,714	849,019
Family Home	835,903	-	835,903	718,569
HomeStart	713,106	-	713,106	768,452
Services	553,793	-	553,793	193,554
Counseling	509,354	-	509,354	595,553
Community Education	167,786	-	167,786	11,452
Total program services	3,790,656	-	3,790,656	3,136,599
Supporting Services:				
Management and General	295,207	-	295,207	216,238
Fundraising	426,714	-	426,714	661,048
Capacity Building	14,400	-	14,400	65,441
Total supporting services	736,321	-	736,321	942,727
Total expenses	4,526,977	-	4,526,977	4,079,326
Change in net assets	640,433	(346,843)	293,590	1,494,215
Net assets at beginning of year	3,823,790	2,472,396	6,296,186	4,801,971
NET ASSETS AT END OF YEAR	**$ 4,464,223**	**$ 2,125,553**	**$ 6,589,776**	**$ 6,296,186**

DOORWAYS FOR WOMEN AND FAMILIES, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016

	2017				
	Program Services				
	Domestic Violence	Family Home	HomeStart	Services	Counseling
Salaries, taxes and benefits (Note 12)	$ 626,196	$ 493,640	$ 285,703	$ 446,555	$ 363,144
Professional fees	4,435	2,763	1,534	2,763	2,037
Advertising/publicity	756	-	-	-	15
Credit card processing	-	-	-	-	-
Depreciation and amortization	41,730	67,139	2,997	1,565	3,029
Donor relations	-	-	-	-	-
Event venue	-	-	-	-	-
Meetings, food and miscellaneous	518	394	210	363	292
Membership dues and fees	2,485	692	446	92	94
Office occupancy expenses (Note 11)	81,037	57,724	31,683	56,455	86,575
Insurance	7,122	5,239	2,915	5,242	3,024
Office supplies	6,280	2,993	2,405	2,759	12,760
Postage and shipping	22	-	-	-	-
Printing and graphics	-	-	-	-	-
Publications/subscriptions	-	-	-	-	-
Staff cell phone reimbursement	4,960	1,896	1,928	1,951	2,086
Staff travel expenses	2,835	1,247	1,942	2,112	1,125
Volunteer recruitment/retention	1,452	1,509	211	341	21
Facilities management	32,918	57,929	-	-	-
Client assistance (Note 10)	153,331	95,008	359,041	-	8,232
Investment expense	-	-	-	-	-
Performance evaluation	5,501	5,134	4,561	4,961	5,083
Loss on disposal of fixed assets	-	10,333	-	-	-
Bad debt expense	-	-	-	-	-
Sub-total	971,578	803,640	695,576	525,159	487,517
Allocation of management and general	39,136	32,263	17,530	28,634	21,837
TOTAL	**$ 1,010,714**	**$ 835,903**	**$ 713,106**	**$ 553,793**	**$ 509,354**

See accompanying notes to consolidated financial statements.

		Supporting Services					2016
Community Education	**Total Program Services**	**Management and General**	**Fundraising**	**Capacity Building**	**Total Supporting Services**	**Total Expenses**	**Total Expenses**
$ 119,474	$ 2,334,712	$ 344,789	$ 282,059	$ 14,400	$ 641,248	$ 2,975,960	$ 2,519,579
2,147	15,679	24,556	11,334	-	35,890	51,569	116,035
14,456	15,227	-	11,227	-	11,227	26,454	17,148
-	-	11,319	-	-	11,319	11,319	11,827
520	116,980	4,023	2,139	-	6,162	123,142	126,959
-	-	-	1,786	-	1,786	1,786	2,496
2,557	2,557	-	14,483	-	14,483	17,040	13,184
133	1,910	316	153	-	469	2,379	2,170
83	3,892	11,247	1,081	-	12,328	16,220	13,176
11,060	324,534	24,041	25,316	-	49,357	373,891	236,597
1,019	24,561	2,185	2,330	-	4,515	29,076	24,136
616	27,813	1,800	1,488	-	3,288	31,101	19,942
1,291	1,313	1,387	4,405	-	5,792	7,105	7,813
6,486	6,486	3,514	22,429	-	25,943	32,429	22,420
-	-	-	197	-	197	197	79
96	12,917	90	91	-	181	13,098	11,786
18	9,279	519	156	-	675	9,954	10,409
142	3,676	15	16	-	31	3,707	3,193
-	90,847	-	-	-	-	90,847	90,323
-	615,612	-	-	-	-	615,612	523,033
-	-	9,806	-	-	9,806	9,806	5,410
179	25,419	19,137	29,396	-	48,533	73,952	68,641
-	10,333	-	-	-	-	10,333	1,925
-	-	-	-	-	-	-	231,045
160,277	3,643,747	458,744	410,086	14,400	883,230	4,526,977	4,079,326
7,509	146,909	(163,537)	16,628	-	(146,909)	-	-
$ 167,786	**$ 3,790,656**	**$ 295,207**	**$ 426,714**	**$ 14,400**	**$ 736,321**	**$ 4,526,977**	**$ 4,079,326**

DOORWAYS FOR WOMEN AND FAMILIES, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 293,590	$ 1,494,215
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	123,142	126,959
Realized loss on sales of investments	16,819	16,643
Unrealized (gain) loss on investments	(123,361)	30,537
Share of loss on investment in Cameron Commons	3,549	15,868
Loss on disposal of fixed assets	10,333	1,925
Change in reserve for uncollectable pledges	(17,680)	146,035
Change in discount on pledges receivable	(19,914)	51,854
(Increase) decrease in:		
Grants receivable	(21,875)	(3,659)
Pledges receivable	368,467	(1,496,156)
Inventory	(13,630)	1,408
Prepaid expenses	(4,326)	816
Increase (decrease) in:		
Accounts payable and accrued liabilities	43,957	(57,941)
Deposits held in escrow	2,894	(2,708)
Deferred rent liability	8,003	(35,195)
Deferred income/revenue	(60,000)	60,000
Net cash provided by operating activities	609,968	350,601
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(36,257)	(29,726)
Purchase of investments	(449,683)	(774,290)
Proceeds from sale of investments	434,917	311,980
Net cash used by investing activities	(51,023)	(492,036)
Net increase (decrease) in cash and cash equivalents	558,945	(141,435)
Cash and cash equivalents at beginning of year	1,388,523	1,529,958
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 1,947,468**	**$ 1,388,523**
SCHEDULE OF NONCASH INVESTING TRANSACTIONS		
Donated Securities	**$ 353,346**	**$ 172,566**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

For over 39 years, Doorways for Women and Families, Inc. has played a vital role in the Arlington community, providing safe shelter, housing, and life-changing support services to women, men and families facing the trauma of homelessness, domestic violence, and sexual assault.

Doorways Cameron, LLC (the LLC) is a limited liability company, organized in the Commonwealth of Virginia in 2008. The primary purpose of the LLC is to invest in Cameron Commons, LLC (see Note 3).

Doorways for Women and Families, Inc. creates pathways out of homelessness, domestic violence and sexual assault leading to safe, stable and empowered lives. Doorways for Women and Families, Inc. is committed to continuous refinement of programs to provide the most holistic care possible to families in crisis to ultimately put an end to the cycles of violence and homelessness that plague too many in the community. Family safety and stability are facilitated through programs aimed at providing emergency safety followed by comprehensive services that support persons to overcome crisis and achieve stability. In fiscal year 2017, in response to record-level requests for help from survivors of abuse, Doorways expanded services across every program. In addition, we fully implemented and expanded our newest program, The Revive Sexual and Domestic Violence Counseling Center. Some of our clients participate in just one of our programs, while many utilize all that we offer. Our expanded and new programs combined to reach 3,625 adults, youth and children- nearly 1,000 more people than we reached in 2016. Together, these programs offer a range of options and a continuum of help for persons as they move from crisis to safety and stability:

- The Domestic and Sexual Violence Program serves as Arlington's primary sexual and domestic violence service provider and operates a wide range of services for persons impacted by abuse. These services include an 11-bed Safehouse Shelter and 2, 2-bedroom Safe Apartments that provide emergency shelter for adults and children in harm's way. In addition, we operate the County's 24/7 Domestic and Sexual Violence Hotline and Hospital Accompaniment Program, along with a Bilingual Court Advocacy and Companionship Program for persons seeking legal protection from interpersonal violence. In fiscal year 2017, the Safehouse and Safe Apartments provided emergency shelter for 72 adults and children (33 households), the Hotline provided crisis counseling and information for 2,534 adults, youth and children, and the Court Advocacy Program assisted 275 adults and 183 children in navigating the legal pathways to safety. Over 90% of survivors served across these programs reported increased safety and knowledge of resources to remain safe from abuse.

- In fiscal year 2017, Doorways newest program, Revive Domestic and Sexual Violence Counseling Center provided its first full year of service. Revive offers community-based counseling services for adults, youth and children impacted by interpersonal violence. The Center is located in Arlington, and counseling services are free and confidential. During fiscal year 2017, Doorways secured additional State and private funding to bring the team to a total of 5 therapists and one Victim Advocate. In just one year, and one in which not all staff were hired for the full year, Revive provided counseling and safety planning for 373 adults, youth and children impacted by abuse. Clients in this program report that having these services helps them move forward, gain perspective and feel less isolated as they recover from trauma.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Organization (continued) -

- The Freddie Mac Foundation Family Home provides emergency shelter (22 beds), food, skill building opportunities, referrals, and supportive counseling and goal planning services to women, children and families experiencing homelessness. The Home served 61 adults, youth and children (23 households) in fiscal year 2017. In recent years, the Family Home has served a high number of young families and young adults experiencing homelessness (43% of households served) and has implemented specialized programming to support their unique needs. In fiscal year 2017, nearly 75% of households exited shelter to long-term, stable housing.

- The HomeStart Supportive Housing Program offers rapid re-housing and long-term supportive housing for families who need assistance to leave shelter and obtain safe housing of their own. HomeStart offers residential stability (through rental subsidies) and intensive support focused on skill building to prevent the recurrence of homelessness and domestic violence. HomeStart assisted 127 adults and children (41 households) in fiscal year 2017, and over 90% of households graduating are sustaining safe, stable housing.

- Doorways Comprehensive Service Model is a cornerstone of our approach to addressing the complex and varied needs our clients face, and ensure every family member impacted receives the help they need. These individualized services include our Children’s Program, our Financial Independence Track (FIT), and Life Skill Development for Youth/Young Adults. Together, these services provide clients of every age with the necessary tools to overcome trauma and adversity and form paths to lasting stability. In fiscal year 2017 our Children’s Program supported over 150 children to receive basic health care, attend and thrive in school or daycare, and develop skills to overcome the adversity and trauma they had experienced in their young lives.

Doorways for Women and Families, Inc. continues to meet the varied and profound needs of its clients through holistic, client-centered and strength-based services that offer them the greatest chance of success. Doorways for Women and Families, Inc. provides clients with intensive support, which is necessary, given that nearly every aspect of their lives is in crisis.

Through community education efforts, volunteers received training and provided 3,312 hours of client-centered services during fiscal year 2017. Resource drives provide clients with winter coats, school supplies and other in-kind support; and awareness of domestic and sexual violence is increased through activities and outreach and year-round community presentations.

Doorways for Women and Families, Inc. employs 41 full-time employees and 9 part-time employees and utilizes the expertise of 164 volunteers (including the Board of Directors).

Basis of consolidation -

The accompanying consolidated financial statements reflect the activity of Doorways for Women and Families, Inc. and Doorways Cameron, LLC (collectively, Doorways) as of June 30, 2017. The financial statements of the two organizations have been consolidated based on common control. All intercompany transactions have been eliminated in consolidation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958-810, *Not-for-Profit Entities*, *Consolidation*.

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Doorways' consolidated financial statements for the year ended June 29, 2016, from which the summarized information was derived.

Cash and cash equivalents -

Doorways invests cash in excess of immediate requirements in a money market fund. Because of the short-term and high liquidity of the fund, such amount is considered to be a cash equivalent.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to a limit of $250,000. At times during the year, Doorways maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Grants and pledges receivable -

Grants and pledges receivable are recorded at their net realizable values, which approximates fair value. Grants receivable are considered fully collectible within one year. The allowance for doubtful pledges receivable is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor. Pledges receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions revenue.

Inventory -

Inventory consists of various gift cards, which are recorded at the cards' value using the first-in first-out method.

Fixed assets -

Fixed assets greater than $1,000 are capitalized and stated at cost. Buildings (and related improvements), furniture and fixtures, and computer equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five to thirty-nine years. Land is recorded as a capital asset based on the value assigned at the time of acquisition; the cost of land is not amortized. Software is amortized on a straight-line basis over the estimated useful lives of the related assets, generally five years. Leasehold improvements are amortized over the life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income in the Consolidated Statement of Activities and Change in Net Assets.

Net asset classification -

The net assets are reported in two self-balancing categories as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of Doorways and include both internally designated and undesignated resources.

- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of Doorways and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statement of Activities and Change in Net Assets as net assets released from restrictions.

Grants and contributions -

Revenue received from cost reimbursable government grants is recognized when expenses have been incurred.

Unrestricted and temporarily restricted contributions are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying consolidated financial statements. Restricted grants and contributions whose restrictions are met in the same reporting period are recorded as unrestricted grants and contributions.

In-kind contributions -

In-kind contributions are recorded at their fair market value as of the date of the gift. In the absence of donor stipulations regarding how long contributed fixed assets must be used, Doorways has adopted a policy of implying a time restriction on contributions of such fixed assets that expires over the assets' useful lives.

As a result, all contributions of fixed assets, and of assets contributed to acquire fixed assets, are recorded as restricted support.

Income taxes -

Doorways for Women and Families, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. Doorways for Women and Families, Inc. is not a private foundation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Income taxes (continued) -

Doorways Cameron, LLC is registered as a limited liability corporation under the laws of the State of Virginia. For tax purposes, because Doorways is the sole member of the LLC, it is considered a disregarded entity and its results are reported on Doorways' tax return.

Uncertain tax positions -

For the year ended June 30, 2017, Doorways has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

Use of estimates -

The preparation of the consolidated 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Risks and uncertainties -

Doorways invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Fair value measurement -

Doorways adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements.

Doorways accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

New accounting pronouncement not yet adopted-

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the ConsolidatedStatement of Activities and Change in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of Doorways consolidated financial statements, it is not expected to alter Doorways reported financial position.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year thus the effective date is fiscal years beginning after December 15, 2018. Early adoption is permitted and should be applied retrospectively in the year the ASU is first applied. Doorways plans to adopt the new ASU at the required implementation date.

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the statement of financial position and disclosing key information about leasing arrangements. The ASU is effective for private entities for fiscal years beginning after December 31, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach. Doorways plans to adopt the new ASU at the required implementation date.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

2. INVESTMENTS

Investments consisted of the following at June 30, 2017:

	Fair Value
Equities	$ 914,590
Fixed Income	345,252
TOTAL INVESTMENTS	**$ 1,259,842**

2. INVESTMENTS (Continued)

Included in investment income are the following at June 30, 2017:

Interest and dividends	$ 43,339
Realized loss on sales of investments	(16,819)
Unrealized gain on investments	123,361
TOTAL INVESTMENT INCOME	**$ 149,881**

3. INVESTMENT IN CAMERON COMMONS, LLC

During 2009, Doorways formed a single member LLC, Doorways Cameron, LLC, whose sole purpose was to enter into an agreement with Cameron Commons Development Corporation (CCDC) to form Cameron Commons, LLC. Cameron Commons, LLC purchased the Cameron Commons Apartments. Under the agreement, Doorways has an interest in five apartment units. In 2009, $726,287 of initial funding for Doorways' interest in this partnership was provided on behalf of Doorways Cameron, LLC directly to CCDC by the Community Housing Finance Corporation (CHFC), a division of Arlington County, Virginia.

In 2010, an additional $31,208 was provided by Arlington County for total funding of $757,495. The funds were given as a conditional 30-year deferred-payment loan. This no-interest loan is to be repaid only in the event of sale, conveyance, or change in use of the property. After the 30-year period has expired, the debt will be forgiven. During fiscal year 2011, Doorways contributed an additional $272,160, which increased their interest in Cameron Commons, LLC to 31%.

Doorways currently accounts for its investment in Cameron Commons, LLC using the equity method based on its current percentage of ownership interest as well as its ability to exert significant influence over Cameron Commons, LLC.

For the calendar year ended December 31, 2016, Cameron Commons, LLC’s audited net operating gain totaled $4,173, of which $1,294 was allocated to Doorways Cameron, LLC; additionally, an operating loss for the period January 1, 2017 through June 30, 2017 has been estimated at $9,306 and is included in the accompanying Consolidated Statement of Activities and Change in Net Assets.

Furthermore, the estimated operating loss of $4,463 for the period January 1, 2016 through June 30, 2016 has been reversed out of the calculated loss, as it was previously recorded in the consolidated financial statements during the year ended June 30, 2016. Doorways’ investment in Cameron Commons, LLC at June 30, 2017 aggregated $1,061,795.

4. PLEDGES RECEIVABLE

As of June 30, 2017, contributors to Doorways have made written promises to give totaling $1,817,339. Pledges receivable are discounted to their net present value using the effective interest rate as of the date of award.

4. PLEDGES RECEIVABLE (Continued)

Pledges are due as follows at June 30, 2017:

Less than one year	$ 612,299
One to five years	1,205,040
	1,817,339
Less: Discount to present value at 3.25%	(68,463)
Less: Reserve for uncollectable pledges	(197,320)
TOTAL PLEDGES RECEIVABLE	**$ 1,551,556**

5. RESTRICTED CASH

Restricted cash consisted of the following at June 30, 2017:

Client Funds Held in Escrow	**$ 6,571**

The client funds in escrow consists of client savings held by Doorways for clients in the Doorways HomeStart Program. A client may request the funds at any time, and all funds are returned to the client when the client leaves the HomeStart Program in good standing; these client funds held in escrow are also presented as a separate liability in the accompanying Consolidated Statement of Financial Position.

6. COMMUNITY DEVELOPMENT BLOCK GRANT FUND CONDITIONAL DEBT

In May 2006, Doorways obtained a $600,000 commitment from Arlington County, Virginia, through a Community Development Block Grant from the United States Department of Housing and Urban Development (HUD). Doorways has drawn the full $600,000 under this commitment. The funds were given as a conditional 60-year deferred-payment loan in order to redevelop the Family Home. This no-interest loan is to be repaid only in the event of sale, conveyance, or change in use of the property. After the 60-year period has expired, the debt will be forgiven.

7. BOARD DESIGNATED NET ASSETS

As of June 30, 2017, net assets have been designated by the Board of Directors for the following purposes:

Operating reserve	$ 1,018,257
Sustainability	331,195
Working capital	399,186
Building improvements	51,153
TOTAL BOARD DESIGNATED NET ASSETS	**$ 1,799,791**

8. TEMPORARILY RESTRICTED NET ASSETS

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

Program Restricted:	
Domestic Violence (including $152,112 of unamortized Safehouse improvements)	$ 152,112
The Agnes Varis Trust	65,000
Phil Graham Fund	66,667
HomeStart	1,105
Cumulative Change in Discount	(35,894)
Total program restricted	248,990
Time Restricted	1,876,563
TOTAL TEMPORARILY RESTRICTED NET ASSETS	**$ 2,125,553**

9. NET ASSETS RELEASED FROM RESTRICTIONS

The following temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors:

Program Restricted:	
Domestic Violence	$ 27,180
Philip Graham	33,333
HomeStart	156
Capacity Building	15,000
Total program restricted	75,669
Passage of Time	812,090
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	**$ 887,759**

10. IN-KIND CONTRIBUTIONS

Contributed services from IT professionals and goods donated for distribution for Doorways' programs are recognized as in-kind support based on the estimated fair value of the gift. In-kind expenses are presented as Client Assistance in the accompanying Consolidated Statement of Functional Expenses.

Donated goods and services consisted of the following during the year ended June 30, 2017:

Professional fees	$ 20,059
Gift cards	42,037
Goods and supplies	159,864
TOTAL IN-KIND CONTRIBUTIONS	**$ 221,960**

10. IN-KIND CONTRIBUTIONS (Continued)

In-kind contributions were classified in the following functional areas in the accompanying Consolidated Statement of Functional Expenses during the year ended June 30, 2017:

Domestic Violence	$ 76,719
Family Home	42,990
HomeStart	71,118
Counseling	2,727
Services	1,196
Community Education	1,842
Management and General	1,098
Fundraising	10,638
TOTAL IN-KIND CONTRIBUTIONS	**$ 208,328**

During the year ended June 30, 2017, In-kind contributions included $13,632 of gift cards received but not yet expensed, and are included in Inventory in the accompanying Consolidated Statement of Financial Position. Additionally, volunteers have donated time to Doorways in various capacities to further the mission of the organization. As these services are not deemed to be specialized in nature (and therefore the value of these services is not readily determinable), these contributions have not been recognized in the accompanying consolidated financial statements.

11. LEASE COMMITMENT

During 2011, Doorways entered into a lease for office space under a seven-year agreement, expiring May 31, 2018. Base rent is $150,535 per year, plus a proportionate share of expenses, increasing by a factor of 3% per year. The first three months of rent were abated. In May of 2015, Doorways amended its seven-year lease agreement to extend its term to June 30, 2021 and add additional office space. The amended lease started on July 1, 2015. Base rent under amended lease is $192,132, plus a proportionate share of expenses, increasing by a factor of 2% per year. In May of 2016, Doorways further amended the lease agreement to gain additional office space. Base rent under the additional lease is $48,504 plus a proportionate share of expenses, increasing by a factor of 2% per year.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability in the Consolidated Statement of Financial Position. As of June 30, 2017, the total deferred rent liability aggregated $17,870.

Future minimum lease payments are as follows:

Year Ending June 30	
2018	$ 249,368
2019	254,355
2020	259,442
Thereafter	264,631
	$ 1,027,796

11. LEASE COMMITMENT (Continued)

Rent expense, including utilities and taxes for the year ended June 30, 2017, was $254,410.

Rent expense is included in office occupancy expenses in the accompanying Consolidated Statement of Functional Expenses.

12. PENSION PLAN

Doorways has established a 403(b) plan for its employees. Eligible employees must be employed for at least one year and complete 1,040 hours of services during a 12-month period. Employer discretionary contributions are allocated among eligible employees at a rate of 3% of annual compensation for employees with one to four years of services, and 4% of annual compensation for employees with five or more years of service. Plan contributions for the year ended June 30, 2017 totaled $57,461.

13. LINE OF CREDIT

In January 2017, Doorways established a line of credit with a local financial institution to support ongoing working capital needs of the organization, which will expire January 2018. The line of credit, in the amount of $150,000, is unsecured and accrues interest at the Wall Street Journal Prime Rate plus 1% or a minimum of 4.50% (5.25% as of June 30, 2017). There were no borrowings during the year or any outstanding amounts on the line of credit as of June 30, 2017.

14. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, Doorways has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Consolidated Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market Doorways has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

14. FAIR VALUE MEASUREMENT (Continued)

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2017.

- *Equities* - Valued at the closing price reported on the active market in which the individual securities are traded.
- F*ixed income* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

The table below summarizes, by level within the fair value hierarchy, Doorways' investments as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
Asset Class:				
Equities	$ 914,590	$ -	$ -	$ 914,590
Fixed income	-	345,252	-	345,252
TOTAL INVESTMENTS	**$ 914,590**	**$ 345,252**	**$ -**	**$ 1,259,842**

15. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, Doorways has evaluated events and transactions for potential recognition or disclosure through October 6, 2017, the date the consolidated financial statements were issued.