

THE WOMEN'S CENTER, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For the Years Ended
December 31, 2015 and 2014

THE WOMEN'S CENTER, INC.
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Certified Public Accountants & Advisors
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Women's Center, Inc.

We have audited the accompanying financial statements of The Women's Center, Inc. (a nonprofit organization) (Center) which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Women's Center, Inc. as of December 31, 2015 and 2014, 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 Matter - Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards and schedule of unrestricted public support, revenue and expenses by program is presented for purposes of additional analysis as required by the *DHS Audit Guide*, issued by the Wisconsin Department of Health Services and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2016 on our consideration of The Women's Center, Inc.'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Women's Center, Inc.'s internal control over financial reporting and compliance.

Sikich LLP

Brookfield, Wisconsin
April 20, 2016

FINANCIAL STATEMENTS

THE WOMEN'S CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

December 31,

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 446,226	\$ 505,889
Grants receivable	209,600	203,335
Prepaid expenses	24,044	26,201
Total current assets	<u>679,870</u>	<u>735,425</u>
PROPERTY AND EQUIPMENT		
Land and improvements	105,147	105,147
Buildings and improvements	3,407,440	3,369,178
Furniture and equipment	159,792	148,940
Vehicle	18,939	18,939
Total property and equipment	<u>3,691,318</u>	<u>3,642,204</u>
Less: Accumulated depreciation	<u>1,269,414</u>	<u>1,171,381</u>
Net property and equipment	<u>2,421,904</u>	<u>2,470,823</u>
OTHER ASSETS		
Pledges receivable	6,873	13,957
Investments	333,078	351,767
Interest in assets held with others	469,106	487,646
Total other assets	<u>809,057</u>	<u>853,370</u>
TOTAL ASSETS	<u>\$ 3,910,831</u>	<u>\$ 4,059,618</u>

See accompanying notes to financial statements.

LIABILITIES AND NET ASSETS	2015	2014
CURRENT LIABILITIES		
Accounts payable	\$ 25,427	\$ 21,115
Accrued wages and benefits	75,291	63,403
Notes payable	6,346	5,547
Capital lease obligations	1,810	1,305
Total current liabilities	108,874	91,370
LONG-TERM LIABILITIES		
Notes payable	40,390	46,736
Capital lease obligations	5,348	4,547
Total long-term liabilities	45,738	51,283
Total liabilities	154,612	142,653
NET ASSETS		
Unrestricted		
Undesignated	2,994,278	3,182,908
Board designated	202,490	144,100
Temporarily restricted	337,294	367,800
Permanently restricted	222,157	222,157
Total net assets	3,756,219	3,916,965
TOTAL LIABILITIES AND NET ASSETS	\$ 3,910,831	\$ 4,059,618

See accompanying notes to financial statements.

THE WOMEN'S CENTER, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31,

	2015	2014
CHANGES IN UNRESTRICTED NET ASSETS:		
REVENUE		
Government grants	\$ 541,402	\$ 578,441
United Way	139,986	139,983
Program and rent fees	45,926	53,970
Contributions	375,017	530,344
Foundation and corporate grants	485,421	288,457
Special events	245,354	278,159
Investment (loss) income	(15,476)	23,472
Gifts in kind	32,618	66,133
Miscellaneous income	1,535	2,093
Total revenue	<u>1,851,783</u>	<u>1,961,052</u>
Net assets released from restrictions- satisfaction of restrictions	<u>258,839</u>	<u>241,788</u>
Total revenue	<u>2,110,622</u>	<u>2,202,840</u>
EXPENSES		
Program services:		
Counseling	210,572	197,635
Child abuse prevention	122,489	131,367
Education	43,252	46,493
Employment	126,063	122,158
Shelter	1,065,029	1,014,488
Transitional living	175,466	201,127
Total program services	<u>1,742,871</u>	<u>1,713,268</u>
Supporting services:		
Management and general	129,691	118,293
Fund raising	317,955	334,631
Costs of direct benefits to donors	50,345	37,991
Total expenses	<u>2,240,862</u>	<u>2,204,183</u>
Change in unrestricted net assets	<u>(130,240)</u>	<u>(1,343)</u>

See accompanying notes to financial statements.

THE WOMEN'S CENTER, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31,

(Continued)	2015	2014
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	\$ 229,713	\$ 292,764
Investment (loss) income	(1,380)	13,305
Net assets released from restrictions	(258,839)	(241,788)
	<hr/>	<hr/>
Change in temporarily restricted net assets	(30,506)	64,281
	<hr/>	<hr/>
PERMANENTLY RESTRICTED NET ASSETS:		
Contributions	-	200
	<hr/>	<hr/>
Change in permanently restricted net assets	-	200
	<hr/>	<hr/>
CHANGE IN NET ASSETS	(160,746)	63,138
NET ASSETS, BEGINNING	3,916,965	3,853,827
	<hr/>	<hr/>
NET ASSETS, ENDING	<u>\$ 3,756,219</u>	<u>\$ 3,916,965</u>

See accompanying notes to financial statements.

THE WOMEN'S CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2015

	Program Services							Supporting Services			
	Child Abuse			Employment	Shelter	Transitional Living	Total Programs	Management & General	Fund Raising	Costs of Direct Benefits to Donors	Total Expenses
	Counseling	Prevention	Education								
Wages	\$ 151,673	\$ 86,559	\$ 33,913	\$ 90,545	\$ 694,456	\$ 81,168	\$ 1,138,314	\$ 50,327	\$ 192,240	\$ -	\$ 1,380,881
Employee benefits	11,810	10,012	1,488	12,268	63,463	9,299	108,340	11,847	15,951	-	136,138
Payroll taxes	12,357	6,938	2,893	7,169	56,297	6,304	91,958	3,964	15,106	-	111,028
Client assistance	1,358	66	-	1,650	14,642	557	18,273	-	-	-	18,273
Professional fees	10,461	5,753	850	2,384	35,177	2,118	56,743	13,455	12,167	-	82,365
Supplies	6,643	1,308	327	686	29,257	266	38,487	6,242	9,138	-	53,867
Client transportation	376	625	-	875	11,082	68	13,026	-	-	-	13,026
Food	404	256	97	260	15,678	535	17,230	4,420	612	-	22,262
Telephone	1,572	1,147	326	972	7,519	786	12,322	595	1,559	-	14,476
Postage	22	-	-	15	613	88	738	1,457	7,599	-	9,794
Printing and publication	721	226	607	266	3,423	179	5,422	655	17,066	-	23,143
Utilities	682	789	130	611	20,433	12,366	35,011	1,892	1,961	-	38,864
Janitorial	402	382	80	305	7,109	1,997	10,275	1,098	717	-	12,090
Building and maintenance	2,123	1,704	454	1,406	26,461	11,544	43,692	5,795	1,666	-	51,153
Depreciation	2,055	2,014	408	1,613	39,758	41,154	87,002	3,751	7,280	-	98,033
Investment fees	-	-	-	-	-	-	-	8,692	-	-	8,692
Credit card and bank fees	-	-	-	-	-	-	-	503	13,832	-	14,335
Liability insurance	5,327	4,186	1,125	3,286	30,467	6,417	50,808	3,280	2,203	-	56,291
Membership dues	226	95	-	66	653	105	1,145	1,091	837	-	3,073
Conferences	971	99	-	243	1,523	84	2,920	1,071	407	-	4,398
Special events	-	-	-	-	-	-	-	-	16,126	50,345	66,471
Travel	538	111	554	374	524	182	2,283	651	1,011	-	3,945
Advertising	597	219	-	191	1,708	151	2,866	635	-	-	3,501
Miscellaneous	254	-	-	878	4,786	98	6,016	8,270	477	-	14,763
TOTAL EXPENSES	\$ 210,572	\$ 122,489	\$ 43,252	\$ 126,063	\$ 1,065,029	\$ 175,466	\$ 1,742,871	\$ 129,691	\$ 317,955	\$ 50,345	\$ 2,240,862

See accompanying notes to financial statements.

THE WOMEN'S CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2014

	Program Services							Supporting Services			
	Child Abuse			Employment	Shelter	Transitional Living	Total Programs	Management & General	Fund Raising	Direct Benefits to Donors	Total Expenses
	Counseling	Prevention	Education								
Wages	\$ 134,702	\$ 97,615	\$ 34,003	\$ 80,774	\$ 649,837	\$ 85,377	\$ 1,082,308	\$ 59,958	\$ 181,440	\$ -	\$ 1,323,706
Employee benefits	17,592	9,015	1,827	14,016	98,745	17,862	159,057	2,690	19,230	-	180,977
Payroll taxes	11,313	8,395	2,783	6,874	55,596	7,240	92,201	5,334	15,439	-	112,974
Client assistance	344	-	-	5,569	8,087	4,113	18,113	187	-	-	18,300
Professional fees	11,043	2,755	957	2,089	29,190	1,685	47,719	1,871	2,897	-	52,487
Supplies	10,613	3,345	2,033	3,359	36,763	4,738	60,851	6,228	15,035	-	82,114
Client transportation	200	-	-	1,484	2,169	-	3,853	-	-	-	3,853
Food	619	429	31	71	12,647	202	13,999	2,735	155	-	16,889
Telephone	1,321	1,243	451	824	7,378	739	11,956	888	1,403	-	14,247
Postage	60	14	1	3	417	14	509	788	6,756	-	8,053
Printing and publication	215	110	942	601	2,268	63	4,199	387	18,955	-	23,541
Utilities	649	835	134	652	20,870	12,402	35,542	2,365	2,403	-	40,310
Janitorial	286	295	85	209	3,676	968	5,519	1,725	265	-	7,509
Building and maintenance	1,504	1,396	437	979	24,343	18,714	47,373	8,349	1,433	-	57,155
Depreciation	1,840	2,003	487	1,472	33,575	39,627	79,004	4,384	3,964	-	87,352
Loss on disposal of fixed assets	-	-	-	-	-	-	-	3,445	-	-	3,445
Investment fees	-	-	-	-	-	-	-	7,886	-	-	7,886
Credit card and bank fees	-	-	-	-	-	-	-	584	12,244	-	12,828
Liability insurance	3,770	3,626	970	2,349	24,476	6,997	42,188	3,391	2,116	-	47,695
Membership dues	177	166	36	196	959	198	1,732	1,891	928	-	4,551
Conferences	847	-	418	110	487	100	1,962	640	702	-	3,304
Special events	-	-	-	-	-	-	-	-	48,059	37,991	86,050
Travel	64	-	898	141	938	16	2,057	610	936	-	3,603
Advertising	436	125	-	386	1,746	72	2,765	780	122	-	3,667
Miscellaneous	40	-	-	-	321	-	361	1,177	149	-	1,687
TOTAL EXPENSES	\$ 197,635	\$ 131,367	\$ 46,493	\$ 122,158	\$ 1,014,488	\$ 201,127	\$ 1,713,268	\$ 118,293	\$ 334,631	\$ 37,991	\$ 2,204,183

See accompanying notes to financial statements.

THE WOMEN'S CENTER, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31,

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) increase in net assets	\$ (160,746)	\$ 63,138
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	98,033	87,352
Gifts in kind	-	(12,364)
Loss on disposal of fixed assets	-	3,445
Unrealized and realized losses on investments	28,591	11,855
Change in interest in assets held with others	18,540	(9,492)
Decrease (increase) in:		
Grants receivable	(6,265)	61,060
Prepaid expenses	2,157	(18,078)
Pledges receivable	7,084	(13,957)
Increase (decrease) in:		
Accounts payable	4,312	(3,674)
Accrued wages and benefits	11,888	(48,855)
Net cash and cash equivalents provided by operating activities	<u>3,594</u>	<u>120,430</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(46,421)	(62,050)
Purchase of investments	(241,992)	(70,222)
Proceeds from sale of investments	<u>232,090</u>	<u>55,448</u>
Net cash and cash equivalents (used) by investing activities	<u>(56,323)</u>	<u>(76,824)</u>

See accompanying notes to financial statements.

THE WOMEN'S CENTER, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31,

(Continued)	2015	2014
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease obligation	\$ (1,387)	\$ (951)
Payments on note payable	(5,547)	-
Net cash (used) by financing activities	(6,934)	(951)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(59,663)	42,655
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	505,889	463,234
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 446,226	\$ 505,889
SUPPLEMENTAL DISCLOSURES OF NON-CASH ACTIVITIES		
NON-CASH INVESTING ACTIVITIES		
Property and equipment from gifts in kind	\$ -	\$ 12,364
NON-CASH FINANCING ACTIVITIES		
Property and equipment acquired with financing	\$ -	\$ 18,939
Property and equipment acquired with capital lease	\$ 2,693	\$ 6,803

See accompanying notes to financial statements.

THE WOMEN'S CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2015 and 2014

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Women's Center, Inc. (the Center) is a not-for-profit, nonstock corporation created in 1977 to provide safety and support to women and their families affected by domestic violence, sexual assault and abuse, and to facilitate their development. The Center provides the following programs:

Counseling

The program provides short-term individual or group counseling to women and children survivors of domestic abuse, sexual assault, or sexual abuse.

Education

The program provides a community educator who presents programs to local schools, community groups, service clubs, and others.

Employment

The program helps clients identify their skills and employment objectives through workshops and counseling.

Family Advocacy

This program area works with survivors and their children on positive ways to handle stress and anger resulting from abuse. Effective communication and coping skills for healthier family dynamics are taught as well as positive parenting techniques as the family transitions from abuse to independence.

Legal Advocacy

This program area offers domestic violence or sexual assault or abuse legal advocacy and support to individuals seeking legal remedy in the civil and criminal justice systems.

Shelter and 24 Hour Hotline

This program provides safe, confidential housing and supportive services to women and their children who are homeless as a result of domestic violence, sexual assault or abuse. A confidential 24-hour hotline is run out of the shelter.

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nature of Activities (Continued)

Transitional Living

The program helps women and their children transition from an abusive environment to independent living by providing safe, affordable housing and support services.

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (USGAAP). Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Unrestricted Net Assets:

Undesignated – Net assets that are not subject to donor-imposed stipulations or imposed restrictions by the Center's Board of Directors (the Board). The Center has adopted the policy of recording donor restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

Board designated – Net assets subject to limitations imposed by the Board and determined to be unavailable for general use. The Board has designated these net assets for future reserves.

Temporarily Restricted Net Assets:

Net assets subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Center pursuant to those stipulations.

Permanently Restricted Net Assets:

Permanently restricted net assets include contributed net assets subject to donor imposed stipulations that they be maintained permanently by the Center. Generally, the donors of these assets permit the Center to use all or part of the income earned on any related investments for general or specific purposes.

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with USGAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Subsequent Events

The Center has evaluated subsequent events through April 20, 2016, the date on which the financial statements were available to be issued, and determined that there were no significant nonrecognized subsequent events through that date.

Cash and Cash Equivalents

The Center considers all short-term investments in interest-bearing bank accounts, debt securities and other instruments having an original maturity of three months or less, to be equivalent to cash.

The Center at times had funds on deposit at one financial institution that exceeded the federally insured limit during 2015 and 2014.

Grants Receivable

Grants receivable are amounts due under cost reimbursable contracts or fee for service contracts with primarily county, state and federal government agencies. Invoicing and payment terms are provided in the contracts. Payments of grants receivable are allocated to the specific invoices identified on the remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

Grants receivable are reviewed periodically by management to determine the adequacy of the allowance for doubtful accounts. After all attempts to collect the receivable have failed, the receivable is written off against the allowance. Based upon management's evaluation, the Center believes that an allowance for doubtful accounts is not considered necessary as of December 31, 2015 and 2014, however actual write-offs may occur.

Investments and Investment Income

Investments are measured at fair value in the statements of financial position.

THE WOMEN'S CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and Investment Income (Continued)

Investment income (including realized, unrealized gains and losses, interest, and dividends) is reported as unrestricted revenue unless the income is restricted by donor or law. Realized gains or losses are determined by specific identification.

In prior years, the Center transferred funds to the Greater Milwaukee Foundation and Waukesha County Community Foundation (Community Foundations) and specified itself as the beneficiary of the funds. Annually, the Community Foundations calculate distributions available to the Center in accordance with the Foundation's respective distribution policy. The Center maintains variance power over these assets and the funds may be withdrawn from the respective Foundation in their entirety with proper notice.

Concentrations of Operations and Credit Risk

Credit Risk

Financial instruments, which potentially subject the Center to concentration of credit risk, consist of cash and cash equivalents and grants receivable. These financial instruments are reported at cost, which approximates fair value due to their short maturities and market interest rates. The Center's policy is to limit credit exposure on financial instruments and places its cash and cash equivalents with financial institutions deemed as being credit worthy.

Concentrations of revenues were as follows for the years ended December 31,:

	2015	
	Revenues	Grants Receivable
United Way	13 %	67 %
Department of Justice	*	14
TOTAL	13 %	81 %
	2014	
	Revenues	Grants Receivable
United Way	13 %	69 %
Department of Justice	*	11
TOTAL	13 %	80 %

*Less than 10%

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations of Operations and Credit Risk (Continued)

Risk and Uncertainty

The Center invests in various securities that are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at fair value at the date of donation. It is the Organization's policy to capitalize all property and equipment expenditures greater than \$2,000 with a useful life of 3 years or more. Depreciation is computed on a straight-line basis over the estimated useful lives. Estimated lives of property and equipment consisted of the following as of December 31, 2015 and 2014:

	<u>Years</u>
Land improvements	3-15
Buildings and improvements	5-50
Furniture and equipment	5-10
Vehicle	5

Depreciation expense was \$98,033 and \$87,352 for the years ended December 31, 2015 and 2014, respectively.

Program Revenues

Grants and program service fees are recognized as revenue when they are earned for services rendered or qualified expenditures are reimbursed. Under funding policies enforced by certain agencies which provide program funding to the Center, any excess of support provided by those agencies over annual program expenses may be subject to refund by the Center at the discretion of the funding agencies.

THE WOMEN'S CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions are recognized as revenue when the donor makes an unconditional promise to give to the Center. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as released from restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Contributions In-Kind

The Center recognizes the fair value of contributed services received if such services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

Donated assets are recorded in the financial statements as assets and revenue at their estimated fair market value on the date the assets are contributed. The Center's policy is to sell all donated securities as soon as administratively feasible after they are received. The amounts reflected in the accompanying financial statements as contributions in-kind are summarized as follows:

	2015	2014
Supplies and other	\$ 11,099	\$ 9,605
Equipment and other	-	36,321
Donated professional services	14,497	9,225
Donated investments	7,022	10,982
TOTAL	\$ 32,618	\$ 66,133

Additional donated assets included in special events income on the statements of activities amounted to \$15,617 and \$30,482 for the years ended December 31, 2015 and 2014, respectively.

The Center receives services from a large number of volunteers who give significant amounts of their time to the Center's programs and fund-raising campaigns but which do not meet the criteria for financial statement recognition, and accordingly is not reflected in the accompanying financial statements.

The estimated fair value of donated services that do not meet the criteria for financial statement recognition amounted to \$14,420 and \$25,125 for the years ended December 31, 2015 and 2014, respectively.

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

Payroll and related expenses are allocated to the programs based on estimated time spent in each program. Expenses specifically identifiable with a program are charged to that program. All other indirect expenses are charged to the programs according to a cost allocation plan based on direct labor hours, square footage or other measures deemed appropriate for each cost category.

Income Tax Status

The Center is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the code.

2. FAIR VALUE MEASUREMENTS

In conformity with USGAAP, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Based on these approaches, the Center often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Center utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Center is required to provide the following information according to the fair value hierarchy.

The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

THE WOMEN'S CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

2. FAIR VALUE MEASUREMENTS (Continued)

As of December 31, 2015 and 2014, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Exchange traded funds and mutual funds: The fair value of exchange traded funds and mutual funds is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers.

Interest in assets held by the Greater Milwaukee Foundation and the Waukesha County Community Foundation: Valued at the NAV per unit as reported by the Community Foundations.

The tables below presents the balances of assets measured at fair value on a recurring basis as of December 31,:

	2015			
	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 14,214	\$ -	\$ -	\$ 14,214
Mutual funds	318,864	-	-	318,864
Interest in assets held by the Greater Milwaukee Foundation and Waukesha County Community Foundation	-	-	469,106	469,106
TOTAL	\$ 333,078	\$ -	\$ 469,106	\$ 802,184

	2014			
	Level 1	Level 2	Level 3	Total
Exchange traded funds	\$ 33,200	\$ -	\$ -	\$ 33,200
Mutual funds	318,567	-	-	318,567
Interest in assets held by the Greater Milwaukee Foundation and Waukesha County Community Foundation	-	-	487,646	487,646
TOTAL	\$ 351,767	\$ -	\$ 487,646	\$ 839,413

THE WOMEN'S CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

2. FAIR VALUE MEASUREMENTS (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Center believes their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table provides a reconciliation of the beginning and ending balances of items measured at fair value on a recurring basis in the table above that used significant unobservable inputs (Level 3):

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 487,646	\$ 478,154
Contributions	-	200
Interest and dividends	6,355	20,014
Net realized and unrealized (losses) gains	(9,325)	8,982
Management fees	(6,605)	(5,762)
Grants approved	(8,965)	(13,942)
BALANCE, END OF YEAR	<u>\$ 469,106</u>	<u>\$ 487,646</u>
Change in unrealized gains or losses for the period included in changes in net assets for assets held at the end of the year	<u>\$ (50,594)</u>	<u>\$ (6,424)</u>

The change in value of the interest in assets held by the Greater Milwaukee Foundation and the Waukesha County Community Foundation are included in investment gain (loss) on the statement of activities.

Investment income for the years ended December 31 consists of the following:

	<u>2015</u>	<u>2014</u>
Interest and dividends	\$ 17,860	\$ 18,451
Realized gains	44,470	36,605
Unrealized (losses)	(79,186)	(18,279)
TOTAL INVESTMENT (LOSS) INCOME	<u>\$ (16,856)</u>	<u>\$ 36,777</u>

THE WOMEN'S CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

3. ENDOWMENTS

The Center's endowment consists of individual donor-restricted endowment funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law Governing Endowments

The Board of Directors of the Center has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the Wisconsin State legislature, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the funds, (b) the purpose of the Center and the donor restricted endowment, (c) general economic conditions, (d) the possible effect of inflation and deflation, (e) the expected total return from income and the appreciation of investments, (f) other resources of the Center, and (g) the investment policies of the Center.

Changes in endowment net assets for the year ended December 31, 2015 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 92,280	\$ 222,157	\$ 314,437
Net realized and unrealized losses	(4,333)	-	(4,333)
Interest and dividends	2,953	-	2,953
Appropriation of endowment assets for expenditure	(8,965)	-	(8,965)
ENDOWMENT NET ASSETS, END OF YEAR	\$ 81,935	\$ 222,157	\$ 304,092

THE WOMEN'S CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

3. ENDOWMENTS (Continued)

Changes in endowment net assets for the year ended December 31, 2014 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 92,917	\$ 221,957	\$ 314,874
Net realized and unrealized gains	2,902	-	2,902
Contributions	-	200	200
Interest and dividends	10,403	-	10,403
Appropriation of endowment assets for expenditure	(13,942)	-	(13,942)
ENDOWMENT NET ASSETS, END OF YEAR	\$ 92,280	\$ 222,157	\$ 314,437

Endowment Investment Policy

The Center has adopted an investment and spending policy for endowment assets that attempts to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted funds that the Center must hold in perpetuity or for the donor-specified periods. Under the Center's policy, which was approved by the Board of Directors, the investment portfolio shall be managed with the objective of attaining a comprehensive rate of return given the constraints of aforementioned safety and liquidity objectives. The investment portfolio is subject to periodic review to ensure this objective is met. To satisfy its long-term rate-of-return objectives, the Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (investment income such as interest and dividends). The Center targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Endowment Spending Policy

The center has a policy that allows the Board of Directors to appropriate up to 4.5% of the average market value of the funds held at the Waukesha County Community Foundation over twenty rolling quarters and up to 4.75% of a five-year average market value of the funds held at the Greater Milwaukee Foundation on a quarterly basis. Distributions are to be used to support general operations of the Center.

THE WOMEN'S CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

3. LINE OF CREDIT

The Center has a credit agreement with a bank dated June 30, 2015, for up to \$150,000 of borrowings, and is due on June 30, 2016. The agreement calls for monthly interest payments at the bank's prime rate (3.5% as of December 31, 2015). No amounts were outstanding as of December 31, 2015 and 2014.

4. NOTES PAYABLE

The Center is indebted on the following as of the years ended December 31,:

	<u>2015</u>	<u>2014</u>
Mortgage loan incurred upon the renovation of several of the transitional living homes in 1996. These loans do not require any principal payments and are interest free. Repayment is only required upon the sale of one or more of the transitional living properties.	\$ 33,180	\$ 33,180
Term note, payable to a bank, interest at 4.5%, requiring monthly payments of principal and interest of \$569, with the remaining balance due January 1, 2018. The note is secured by a vehicle. Payments for this note are being guaranteed by a donor who has pledged to contribute annually the total interest and principal payments required under the term note. The guarantee is recorded as a pledges receivable on the statement of financial position.	\$ 13,556	\$ 19,103
Total notes payable	46,736	52,283
Less: Current maturities	6,346	5,547
AMOUNT DUE AFTER ONE YEAR	<u>\$ 40,390</u>	<u>\$ 46,736</u>

The following is a maturity schedule of notes payable:

2016	\$ 6,346
2017	6,643
2018	567
2019	-
2020	-
Thereafter	<u>33,180</u>
TOTAL	<u>\$ 46,736</u>

THE WOMEN'S CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL LEASE OBLIGATION

Net book value of leased equipment is as follows:

	<u>2015</u>	<u>2014</u>
Equipment	\$ 16,488	\$ 13,795
Less: Accumulated depreciation	4,896	2,069
TOTAL	<u>\$ 11,592</u>	<u>\$ 11,726</u>

Amortization of capitalized lease assets included in depreciation expense was \$2,827 and \$2,069 for 2015 and 2014, respectively.

The future minimum lease payments required by the above capitalized leases together with the present value of the net minimum lease payments are as follows:

2016	\$ 2,070
2017	2,070
2018	2,070
2019	963
2020	<u>495</u>
Total minimum lease payments	7,668
Less: Amount representing interest	<u>510</u>
Present value of net minimum lease payments	7,158
Amount due currently	<u>1,810</u>
AMOUNT DUE AFTER ONE YEAR	<u><u>\$ 5,348</u></u>

THE WOMEN'S CENTER, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets include assets set aside in accordance with donor restrictions as to time or use. Temporarily restricted net assets consist of the following as of December 31,:

	2015	2014
Purpose restriction:		
Client resources	\$ 24,387	\$ 35,613
Capital and equipment	32,804	68,783
Violence prevention initiative (VPI)	-	17,656
Program resources	55,916	8,700
Miscellaneous	2,019	4,282
Time restriction - United Way and other	140,233	140,486
Income earned on endowment funds	81,935	92,280
TOTAL TEMPORARILY RESTRICTED NET ASSETS	\$ 337,294	\$ 367,800

7. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets have been restricted by donors to be maintained in perpetuity, the income of which is expendable to support operations. Permanently restricted net asset endowment funds at December 31 are as follows:

	2015	2014
Greater Milwaukee Foundation	\$ 144,215	\$ 144,215
Waukesha County Community Foundation	77,942	77,942
TOTAL PERMANENTLY RESTRICTED NET ASSETS	\$ 222,157	\$ 222,157

SUPPLEMENTARY INFORMATION

THE WOMEN'S CENTER, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2015

Grantor/Program Title	Pass-Through	Identifying Number	Expenditures
<i>Department of Justice:</i>			
Crime Victim Assistance	WI Department of Justice	16.575	\$ 118,515
<i>Department of Agriculture:</i>			
Child and Adult Care Food Program	WI Department of Public Instruction	10.558	26,224
<i>Department of Health and Human Services:</i>			
Social Services Block Grant	Waukesha County	93.667	16,780
Child Welfare Services	Waukesha County	93.645	6,130
Foster Care Title IV-E	Waukesha County	93.658	37,985
Trafficking Victim Assistance Program	U.S. Committee for Refugees and Immigrants	93.598	566
Trafficking Victim Assistance Program	Northern Tier Anti-Trafficking Consortium	93.598	3,931
Temporary Assistance for Needy Families	Waukesha County	93.558	11,729
Family Violence Prevention and Services	WI Department of Children and Families	93.671	46,017
Total U.S. Department of Health and Human Services			<u>123,138</u>
<i>U.S. Department of Housing and Urban Development</i>			
Community Development Block Grants	Waukesha County	14.218	43,203
Community Development Block Grants	Interfaith Senior Programs, Inc.	14.218	371
HUD Emergency Shelter Grant	Housing Action Coalition of Waukesha Coun	14.231	21,523
Total U.S. Department of Housing and Urban Development			<u>65,097</u>

See independent auditor's report.

THE WOMEN'S CENTER, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2015

(Continued)

Grantor/Program Title	Pass-Through	Identifying Number	Expenditures
<i>U.S. Department of Homeland Security:</i>			
Emergency Food and Shelter National Board Program	United Way	97.024	\$ 4,420
Total Federal Awards			<u>\$ 337,394</u>
<i>Wisconsin Department of Health Services:</i>			
Social Services Block Grant	Waukesha County	437-3561	\$ 60,655
<i>Wisconsin Department of Children and Families:</i>			
DV Basic Services	Not Applicable	437-6000	73,228
DV Children's Programming	Not Applicable	437-6005	20,000
DV Support Services	Not Applicable	437-6015	<u>25,000</u>
Total Wisconsin Department of Children and Families			<u>118,228</u>
<i>Wisconsin Department of Justice:</i>			
SAVS Grant	Not Applicable	455.505	<u>25,125</u>
Total State Awards			<u>\$ 204,008</u>

See independent auditor's report.

THE WOMEN'S CENTER, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2015

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state grant activity of The Women's Center, Inc. under programs of the federal and state government for the year ended December 31, 2015. The information in this schedule is presented in accordance with requirements of the *DHS Audit Guide* issued by the Wisconsin Department of Health Services. Because the schedule presents only a selected portion of the operations of The Women's Center, Inc. it is not intended to and does not present the financial position, changes in net assets or cash flows of The Women's Center, Inc.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal and state awards is presented using the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded as liabilities when incurred. Such expenditures are recognized following the cost principles contained in the *State of Wisconsin State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity numbers are presented where available. The Women's Center, Inc. applies all Financial Accounting Standards Board pronouncements in accounting and reporting.

3. COMMODITIES

Non monetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed under the Child and Adult Care Food Program (CFDA #10.558). For the year ended December 31, 2015, the Center received food commodities totaling \$1,488.

4. OTHER

The Center did not receive any federal insurance nor have any federal loans with continuing compliance. Also, the Center did not provide funds to any subrecipients.

THE WOMEN'S CENTER, INC.

SCHEDULE OF UNRESTRICTED PUBLIC SUPPORT, REVENUE AND EXPENSES BY PROGRAM

For the Year Ended December 31, 2015

	Counseling	Child Abuse Prevention	Community Education	Employment	Shelter	Transitional Living	Total Programs	Management & General	Fund Raising	Total 2015
<u>PUBLIC SUPPORT AND REVENUE</u>										
State of Wisconsin	\$ -	\$ 3,875	\$ -	\$ -	\$ 157,646	\$ 2,724	\$ 164,245	\$ -	\$ -	\$ 164,245
Waukesha County grants	-	82,976	-	-	50,303	-	133,279	-	-	133,279
DPI Food Program	-	-	-	-	26,224	-	26,224	-	-	26,224
VOCA	38,570	-	-	-	79,945	-	118,515	-	-	118,515
HUD Emergency Shelter	-	-	-	-	14,145	7,378	21,523	-	-	21,523
CDBG	10,403	5,000	-	-	28,171	-	43,574	-	-	43,574
SAVS	14,054	-	11,071	-	-	-	25,125	-	-	25,125
FEMA	-	-	-	-	4,420	-	4,420	-	-	4,420
Other grants	-	-	-	4,497	2,748	-	7,245	-	-	7,245
United Way	36,127	30,271	-	40,696	98,967	73,911	279,972	-	-	279,972
Program and rent fees	-	-	-	-	2,750	43,176	45,926	-	-	45,926
Contributions	-	-	-	-	-	-	-	-	375,017	375,017
Foundation and corporate grants	34,148	641	20,832	9,328	243,364	15,298	323,611	16,022	263,273	602,906
Special events	-	-	-	-	-	-	-	-	245,354	245,354
Gifts in kind	405	-	-	1,538	7,568	-	9,511	15,335	7,772	32,618
Investment income (loss)	-	-	-	-	-	-	-	(16,856)	-	(16,856)
Miscellaneous income	46	-	-	-	-	-	46	1,489	-	1,535
Total public support and revenue	133,753	122,763	31,903	56,059	716,251	142,487	1,203,216	15,990	891,416	2,110,622
Program expenses	210,572	122,489	43,252	126,063	1,065,029	175,466	1,742,871	129,691	317,955	2,190,517
Allocated supporting services	13,737	7,991	2,822	8,224	69,480	11,447	113,701	(113,701)	-	-
Excess (deficiency) of public support and revenue over expenses	\$ (90,556)	\$ (7,717)	\$ (14,171)	\$ (78,228)	\$ (418,258)	\$ (44,426)	\$ (653,356)	\$ -	\$ 573,461	\$ (79,895)



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Brookfield, Wisconsin 53005

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
The Women's Center, Inc.

We have audited, in accordance with the 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, the financial statements of The Women’s Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 20, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Women’s Center, Inc.’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Women's Center, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of the The Women's Center, Inc.’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (2015-01).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Women's Center, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Women's Center, Inc.'s Response to Findings

The Center's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Brookfield, Wisconsin
April 20, 2016

THE WOMEN'S CENTER, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2015

I. Summary of Auditor's Results

Type of Auditor's Report Issued:	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	<u> X </u>	Yes	<u> </u>	No
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No

II. Findings and Questioned Costs

Finding 2015-01: Significant Deficiency - Segregation of Duties

Condition: Several accounting functions regarding cash receipts and disbursements and related recordkeeping which should be segregated are being performed by one or two individuals.

Criteria: Accounting functions should be segregated.

Effect: A lack of proper segregation of duties could affect the Center's ability to record, process, summarize or properly report financial data.

Recommendation: In an environment of few staff, proper segregation of duties is virtually impossible. A fundamental element of internal control is the segregation of certain key duties so that no employee or group is in a position to penetrate and to conceal errors or fraud in the normal course of their duties. The close involvement in the Center's operations by the executive director and Board of Directors tends to offset this potential weakness.

Management's Response: See Corrective Action Plan

See independent auditor's report.

THE WOMEN'S CENTER, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2015

(Continued)

III. Prior Audit Findings

Prior audit finding is the same as finding 2015-01 reported above and finding below:

Finding 2014-01: Significant Deficiency - Audit Adjustment

Condition: During the audit process, we identified a significant financial statement adjustment with respect to temporarily restricted net assets.

Recommendation: We recommend management review the issue which gave rise to the adjustment and implement procedures to properly report the activity related to donor restricted endowments.

Current Status: The recommendation was implemented in April 2015. No similar findings were noted in the 2015 audit.

IV. Other Issues

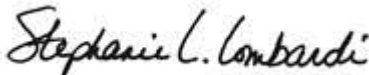
Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? Yes No

Does the audit report show audit issues (i.e. material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, reportable condition, manage letter comment) related to grants / contracts with funding agencies that require audits to be in accordance with the *DHS Audit Guide*:

Wisconsin Department of Health Services Yes No

Was a management letter or other document conveying audit comments issued as a result of this audit? Yes No

Name and Signature of Partner


Stephanie Lombardi, CPA
April 20, 2016

See independent auditor's report.

CORRECTIVE ACTION PLAN

Sikich LLP
December 31, 2015

Section I - Internal Control

Finding 2015-01: Significant deficiency - Segregation of Duties

A. Comments on the Findings and Recommendations

The Center agrees with the auditor's finding.

B. Actions Taken or Planned

The Center agrees with the auditor's comment that implementing proper segregation of duties in a small entity of this size would be virtually impossible. When only one or two employees are involved daily work requirements, vacations and other factors make complete segregation difficult. Expanding the accounting staff would result in a cost far in excess of benefits to be realized. Further, numerous checks and balances are in place, including close involvement in the Center's operations by the executive director and oversight provided by the Board of Directors.

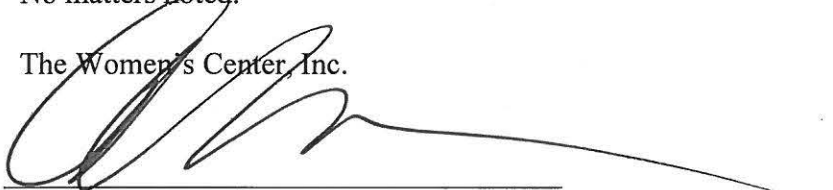
C. Status of Corrective Actions or Prior Findings

Item 2015-01 is a prior finding as discussed above.

Section II - Compliance

No matters noted.

The Women's Center, Inc.



Angela Mancuso, Executive Director