

**THE WOMEN'S CENTER, INC.**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

For the Years Ended  
December 31, 2016 and 2015



**THE WOMEN'S CENTER, INC.**  
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## INDEPENDENT AUDITOR'S REPORT

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

### Report of the Financial Statements

We have audited the accompanying financial statements of The Women's Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, 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, 2016 and 2015, 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**

#### *Other 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 19, 2017 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 19, 2017

## **FINANCIAL STATEMENTS**

**THE WOMEN'S CENTER, INC.**

**STATEMENTS OF FINANCIAL POSITION**

December 31,

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 576,547	\$ 446,226
Grants receivable	214,234	209,600
Prepaid expenses	31,916	24,044
Total current assets	<u>822,697</u>	<u>679,870</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land and improvements	105,147	105,147
Buildings and improvements	3,458,173	3,407,440
Furniture and equipment	183,829	159,792
Vehicle	18,939	18,939
Total property and equipment	<u>3,766,088</u>	<u>3,691,318</u>
Less: Accumulated depreciation	<u>1,373,054</u>	<u>1,269,414</u>
Net property and equipment	<u>2,393,034</u>	<u>2,421,904</u>
<b>OTHER ASSETS</b>		
Pledges receivable	-	6,873
Investments	203,825	333,078
Interest in assets held with others	498,807	469,106
Total other assets	<u>702,632</u>	<u>809,057</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,918,363</u>	<u>\$ 3,910,831</u>

See accompanying notes to financial statements.

<b>LIABILITIES AND NET ASSETS</b>	<b>2016</b>	<b>2015</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 32,502	\$ 25,427
Accrued wages and benefits	82,201	75,291
Notes payable	6,644	6,346
Capital lease obligations	1,915	1,810
Total current liabilities	123,262	108,874
<b>LONG-TERM LIABILITIES</b>		
Notes payable	33,747	40,390
Capital lease obligations	3,390	5,348
Total long-term liabilities	37,137	45,738
Total liabilities	160,399	154,612
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	3,154,594	2,994,278
Board designated	58,390	202,490
Temporarily restricted	322,723	337,294
Permanently restricted	222,257	222,157
Total net assets	3,757,964	3,756,219
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,918,363</b>	<b>\$ 3,910,831</b>

See accompanying notes to financial statements.

**THE WOMEN'S CENTER, INC.**

**STATEMENTS OF ACTIVITIES**

For the Years Ended December 31,

	<b>2016</b>	<b>2015</b>
<b>CHANGES IN UNRESTRICTED NET ASSETS:</b>		
<b>REVENUE</b>		
Government grants	\$ 655,972	\$ 541,402
United Way	165,930	139,986
Program and rent fees	61,904	45,926
Contributions	302,448	375,017
Foundation and corporate grants	392,723	485,421
Special events	270,742	245,354
Investment income (loss)	41,414	(15,476)
Gifts in kind	37,672	32,618
Miscellaneous income	2,038	1,535
Total revenue	<u>1,930,843</u>	<u>1,851,783</u>
Net assets released from restrictions- satisfaction of restrictions	239,299	258,839
Total revenue	<u>2,170,142</u>	<u>2,110,622</u>
<b>EXPENSES</b>		
Program services:		
Counseling	212,223	210,572
Child abuse prevention	100,658	122,489
Education	25,232	43,252
Employment	94,178	126,063
Shelter	1,038,363	1,065,029
Transitional living	172,737	175,466
Total program services	<u>1,643,391</u>	<u>1,742,871</u>
Supporting services:		
Management and general	152,034	129,691
Fund raising	315,429	317,955
Costs of direct benefits to donors	43,072	50,345
Total expenses	<u>2,153,926</u>	<u>2,240,862</u>
Change in unrestricted net assets	<u>16,216</u>	<u>(130,240)</u>

See accompanying notes to financial statements.



**THE WOMEN'S CENTER, INC.**

**STATEMENTS OF ACTIVITIES**

For the Years Ended December 31,

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<b>(Continued)</b>	<b>2016</b>	<b>2015</b>
<b>TEMPORARILY RESTRICTED NET ASSETS:</b>		
Contributions	\$ 205,608	\$ 229,713
Investment income (loss)	19,120	(1,380)
Net assets released from restrictions	(239,299)	(258,839)
	<hr/>	<hr/>
Change in temporarily restricted net assets	(14,571)	(30,506)
<b>PERMANENTLY RESTRICTED NET ASSETS:</b>		
Contributions	100	-
	<hr/>	<hr/>
Change in permanently restricted net assets	100	-
	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	1,745	(160,746)
<b>NET ASSETS, BEGINNING</b>	3,756,219	3,916,965
	<hr/>	<hr/>
<b>NET ASSETS, ENDING</b>	<u>\$ 3,757,964</u>	<u>\$ 3,756,219</u>

See accompanying notes to financial statements.

**THE WOMEN'S CENTER, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2016

	Program Services							Supporting Services			
	Counseling	Child Abuse Prevention	Education	Employment	Shelter	Transitional Living	Total Programs	Management & General	Fund Raising	Cost of Sales	Total Expenses
Wages	\$ 162,170	\$ 76,689	\$ 18,920	\$ 67,162	\$ 693,508	\$ 78,531	\$ 1,096,980	\$ 77,691	\$ 209,792	\$ -	\$ 1,384,463
Employee benefits	8,148	3,956	666	5,292	44,529	5,060	67,651	8,393	11,570	-	87,614
Payroll taxes	14,128	6,093	1,598	5,250	53,733	5,981	86,783	6,036	16,470	-	109,289
Client assistance	400	-	-	3,032	3,997	200	7,629	-	-	-	7,629
Professional fees	4,478	3,291	768	2,909	61,661	1,619	74,726	3,624	4,531	-	82,881
Supplies	2,216	338	198	562	16,023	896	20,233	7,143	11,275	-	38,651
Client transportation	-	-	-	130	7,792	-	7,922	-	-	-	7,922
Food	1,079	83	-	272	14,107	382	15,923	3,024	581	-	19,528
Telephone	1,255	801	215	801	6,551	505	10,128	627	1,390	-	12,145
Postage	111	11	-	5	365	61	553	880	4,363	-	5,796
Printing and publication	5,469	244	148	241	4,817	216	11,135	1,870	19,035	-	32,040
Utilities	650	795	140	675	20,739	14,596	37,595	2,105	1,966	-	41,666
Janitorial	229	247	48	216	5,220	1,643	7,603	3,597	552	-	11,752
Building and maintenance	1,655	1,214	342	1,178	20,397	13,805	38,591	7,137	1,622	-	47,350
Depreciation	1,985	2,029	407	1,693	43,789	42,254	92,157	3,975	7,507	-	103,639
Investment fees	-	-	-	-	-	-	-	7,864	-	-	7,864
Credit card and bank fees	-	-	-	-	-	-	-	636	6,783	-	7,419
Liability insurance	5,921	4,568	1,207	3,833	31,615	6,675	53,819	11,332	2,688	-	67,839
Membership dues	475	-	-	35	25	-	535	2,615	650	-	3,800
Conferences	660	-	292	-	2,831	63	3,846	1,226	592	-	5,664
Special events	-	-	-	-	-	-	-	-	13,548	-	13,548
Travel	648	36	283	469	1,221	83	2,740	592	497	-	3,829
Advertising	412	263	-	270	2,583	167	3,695	743	-	-	4,438
Miscellaneous	134	-	-	153	2,860	-	3,147	924	17	-	4,088
Expenses before cost of sales	212,223	100,658	25,232	94,178	1,038,363	172,737	1,643,391	152,034	315,429	-	2,110,854
<b>COST OF SALES</b>											
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	43,072	43,072
<b>TOTAL EXPENSES</b>	<b>\$ 212,223</b>	<b>\$ 100,658</b>	<b>\$ 25,232</b>	<b>\$ 94,178</b>	<b>\$ 1,038,363</b>	<b>\$ 172,737</b>	<b>\$ 1,643,391</b>	<b>\$ 152,034</b>	<b>\$ 315,429</b>	<b>\$ 43,072</b>	<b>\$ 2,153,926</b>

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	Total	Management & General	Fund Raising	Cost of Sales	Total Expenses
Counseling	Prevention	Education	Living			Programs					
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	-	16,126
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
Expenses before cost of sales	210,572	122,489	43,252	126,063	1,065,029	175,466	1,742,871	129,691	317,955	-	2,190,517
<b>COST OF SALES</b>											
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	50,345	50,345
<b>TOTAL EXPENSES</b>	<b>\$ 210,572</b>	<b>\$ 122,489</b>	<b>\$ 43,252</b>	<b>\$ 126,063</b>	<b>\$ 1,065,029</b>	<b>\$ 175,466</b>	<b>\$ 1,742,871</b>	<b>\$ 129,691</b>	<b>\$ 317,955</b>	<b>\$ 50,345</b>	<b>\$ 2,240,862</b>

See accompanying notes to financial statements.

**THE WOMEN'S CENTER, INC.**

**STATEMENTS OF CASH FLOWS**

For the Years Ended December 31,

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 1,745	\$ (160,746)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	103,639	98,033
Unrealized and realized (gains) losses on investments	(12,125)	28,591
Change in interest in assets held with others	(29,701)	18,540
Decrease (increase) in:		
Grants receivable	(4,634)	(6,265)
Prepaid expenses	(7,872)	2,157
Pledges receivable	6,873	7,084
Increase (decrease) in:		
Accounts payable	(6,751)	4,312
Accrued wages and benefits	6,910	11,888
Net cash provided by operating activities	<u>58,084</u>	<u>3,594</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(60,943)	(46,421)
Purchase of investments	(68,559)	(241,992)
Proceeds from sale of investments	209,937	232,090
Net cash provided (used) by investing activities	<u>80,435</u>	<u>(56,323)</u>

See accompanying notes to financial statements.

**THE WOMEN'S CENTER, INC.**

**STATEMENTS OF CASH FLOWS**

For the Years Ended December 31,

<b>(Continued)</b>	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on capital lease obligation	\$ (1,853)	\$ (1,387)
Payments on note payable	(6,345)	(5,547)
Net cash (used) by financing activities	(8,198)	(6,934)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	 130,321	 (59,663)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	 446,226	 505,889
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	 \$ 576,547	 \$ 446,226
<b>SUPPLEMENTAL DISCLOSURES OF NON-CASH ACTIVITIES</b>		
<b>NON-CASH INVESTING ACTIVITIES</b>		
Property and equipment in accounts payable	\$ 13,826	\$ -
<b>NON-CASH FINANCING ACTIVITIES</b>		
Property and equipment acquired with capital lease	\$ -	\$ 2,693

See accompanying notes to financial statements.

# THE WOMEN'S CENTER, INC.

## NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2016 and 2015

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### 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 restrictions or imposed stipulations 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 restrictions that either expire by passage of time or can be fulfilled and removed by actions of the Center pursuant to those restrictions.

Permanently Restricted Net Assets:

Permanently restricted net assets include contributed net assets subject to donor imposed restrictions 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 19, 2017, the date on which the financial statements were available to be issued.

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 maintains its cash and cash equivalents in financial institutions, which at times may exceed federally insured limits. At December 31, 2016 and 2015, the Center's cash accounts exceeded federally insured limits by approximately \$298,000 and \$33,000, respectively. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

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, 2016 and 2015, 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 Revenues

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

	<b>2016</b>	
	<b>Revenues</b>	<b>Grants Receivable</b>
United Way	13 %	55 %
Department of Justice	*	13
Department of Housing and Urban Development	*	13
<b>TOTAL</b>	<b>13 %</b>	<b>81 %</b>

	<b>2015</b>	
	<b>Revenues</b>	<b>Grants Receivable</b>
United Way	13 %	67 %
Department of Justice	*	14
<b>TOTAL</b>	<b>13 %</b>	<b>81 %</b>

\*Less than 10%

**1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 Center'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, 2016 and 2015:

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

Depreciation expense was \$103,639 and \$98,033 for the years ended December 31, 2016 and 2015, 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)

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**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:

	<u>2016</u>		<u>2015</u>
Supplies and other	\$ 14,157	\$	11,099
Donated professional services	-		14,497
Donated investments	23,515		7,022
<b>TOTAL</b>	<u>\$ 37,672</u>	<u>\$</u>	<u>32,618</u>

Additional donated assets included in special events income on the statements of activities amounted to \$6,147 and \$15,617 for the years ended December 31, 2016 and 2015, 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 for the year ended December 31, 2015. There were no donated services for the year ended December 31, 2016.

**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 as other than a private foundation.

**2. FAIR VALUE MEASUREMENTS**

GAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. GAAP requires the Center to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Significant unobservable inputs.

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

**2. FAIR VALUE MEASUREMENTS (Continued)**

If an investment that is measured using net asset value (NAV) has a readily determinable fair value (that is, it can be traded at the measurement date at its published NAV), it is included in Level 1 of the hierarchy. Otherwise, investments measured using NAVs are not included in Level 1, 2, or 3, but are separately reported.

The Center recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the years ended December 31, 2016 and 2015.

Valuation Techniques

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2016 and 2015.

*Mutual funds and exchange traded funds:* Valued at NAV of shares on the last trading day of the fiscal year.

*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.

Recurring Measurements

Assets measured at fair value on a recurring basis as of December 31, are as follows:

	<b>2016</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>ASSETS</b>				
Mutual funds	\$ 202,325	\$ -	\$ -	\$ 202,325
Interest in assets held by the Greater Milwaukee Foundation and Waukesha County Community Foundation	-	-	498,807	498,807
<b>TOTAL ASSETS AT FAIR VALUE</b>	<b>\$ 202,325</b>	<b>\$ -</b>	<b>\$ 498,807</b>	<b>701,132</b>
Cash*				1,500
<b>TOTAL INVESTMENTS</b>				<b>\$ 702,632</b>

\*Reported at cost

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

**2. FAIR VALUE MEASUREMENTS (Continued)**

	<b>2015</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>ASSETS</b>				
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
<b>TOTAL ASSETS AT FAIR VALUE</b>	<b>\$ 333,078</b>	<b>\$ -</b>	<b>\$ 469,106</b>	<b>\$ 802,184</b>

The activity for the interest in assets held by the Greater Milwaukee Foundation and the Waukesha County Community Foundation, which are measured at fair value on a recurring basis using significant observable inputs (level 3 inputs), is as follows:

	<b>2016</b>	<b>2015</b>
Balance, beginning of year	\$ 469,106	\$ 487,646
Contributions	100	-
Interest and dividends	2,810	6,355
Net realized and unrealized gains (losses)	35,069	(9,325)
Management fees	(5,926)	(6,605)
Grants approved	(2,352)	(8,965)
<b>BALANCE, END OF YEAR</b>	<b>\$ 498,807</b>	<b>\$ 469,106</b>
Change in unrealized gains or losses for the period included in changes in net assets for assets held at the end of the year	<b>\$ 13,661</b>	<b>\$ (50,594)</b>

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 statements of activities.

**2. FAIR VALUE MEASUREMENTS (Continued)**

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

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 11,605	\$ 17,860
Realized gains	23,143	44,470
Unrealized gains (losses)	25,786	(79,186)
<b>TOTAL INVESTMENT INCOME (LOSS)</b>	<u>\$ 60,534</u>	<u>\$ (16,856)</u>

**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.

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

**3. ENDOWMENTS (Continued)**

Changes in endowment net assets for the year ended December 31, 2016 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 81,935	\$ 222,157	\$ 304,092
Net realized and unrealized gains	17,841	-	17,841
Contributions	-	100	100
Interest and dividends	1,279	-	1,279
Appropriation of endowment assets for expenditure	(2,352)	-	(2,352)
<b>ENDOWMENT NET ASSETS, END OF YEAR</b>	<b>\$ 98,703</b>	<b>\$ 222,257</b>	<b>\$ 320,960</b>

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)
<b>ENDOWMENT NET ASSETS, END OF YEAR</b>	<b>\$ 81,935</b>	<b>\$ 222,157</b>	<b>\$ 304,092</b>

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.



**3. ENDOWMENTS (Continued)**

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.

**4. LINE OF CREDIT**

The Center has a credit agreement with a bank for up to \$150,000 of borrowings, and is due on June 30, 2017. The agreement calls for monthly interest payments at the bank's prime rate (3.75% as of December 31, 2016). No amounts were outstanding as of December 31, 2016 and 2015.

**5. NOTES PAYABLE**

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

	<u>2016</u>	<u>2015</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

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

**5. NOTES PAYABLE (Continued)**

	<u>2016</u>	<u>2015</u>
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 was recorded as a pledges receivable on the statement of financial position and collected in full during 2016.	\$ 7,211	\$ 13,556
Total notes payable	40,391	46,736
Less: Current maturities	6,644	6,346
<b>AMOUNT DUE AFTER ONE YEAR</b>	<u>\$ 33,747</u>	<u>\$ 40,390</u>

The following is a maturity schedule of notes payable:

2017	\$ 6,644
2018	567
2019	-
2020	-
2021	-
Thereafter	<u>33,180</u>
<b>TOTAL</b>	<u>\$ 40,391</u>

**6. CAPITAL LEASE OBLIGATION**

Net book value of leased equipment is as follows:

	<u>2016</u>	<u>2015</u>
Equipment	\$ 16,488	\$ 16,488
Less: Accumulated depreciation	8,193	4,896
<b>TOTAL</b>	<u>\$ 8,295</u>	<u>\$ 11,592</u>

Amortization of capitalized lease assets included in depreciation expense was \$3,297 and \$2,827 for 2016 and 2015, respectively.

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

**6. CAPITAL LEASE OBLIGATION (Continued)**

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:

2017	\$ 2,070
2018	2,070
2019	963
2020	<u>480</u>
Total minimum lease payments	5,583
Less: Amount representing interest	<u>278</u>
Present value of net minimum lease payments	5,305
Amount due currently	<u>1,915</u>
<b>AMOUNT DUE AFTER ONE YEAR</b>	<b><u><u>\$ 3,390</u></u></b>

**7. 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,:

	<u>2016</u>	<u>2015</u>
Purpose restriction:		
Client resources	\$ 19,391	\$ 24,387
Capital and equipment	52,778	32,804
Program resources	21,709	55,916
Miscellaneous	11,373	2,019
Time restriction - United Way and other	118,769	140,233
Income earned on endowment funds	<u>98,703</u>	<u>81,935</u>
<b>TOTAL TEMPORARILY RESTRICTED NET ASSETS</b>	<b><u><u>\$ 322,723</u></u></b>	<b><u><u>\$ 337,294</u></u></b>

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

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**8. 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:

	<b>2016</b>		<b>2015</b>
Greater Milwaukee Foundation	\$ 144,215	\$	144,215
Waukesha County Community Foundation	78,042		77,942
<b>TOTAL PERMANENTLY RESTRICTED NET ASSETS</b>	<b>\$ 222,257</b>	<b>\$</b>	<b>222,157</b>

**9. RELATED PARTY TRANSACTIONS**

Members of the Board serve in management roles of the corporations that provide services to the Center, causing these corporations to be related parties. The Center receives contributions from members of the Board of Directors as part of the Center's fundraising events. During 2016 and 2015, the Center received approximately \$65,000 and \$43,000, respectively, from the members of the Board of Directors.

**SUPPLEMENTARY INFORMATION**

**THE WOMEN'S CENTER, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2016

Grantor/Program Title	Pass-Through	Identifying Number	Expenditures
<i>Department of Justice:</i>			
Crime Victim Assistance	WI Department of Justice	16.575	\$ 171,287
<i>Department of Agriculture:</i>			
Child and Adult Care Food Program	WI Department of Public Instruction	10.558	24,114
<i>Department of Health and Human Services:</i>			
Child Welfare Services	Waukesha County	93.645	5,504
Foster Care Title IV-E	Waukesha County	93.658	52,192
Trafficking Victim Assistance Program	U.S. Committee for Refugees and Immigrants	93.598	11,594
Family Violence Prevention and Services	WI Department of Children and Families	93.671	<u>24,851</u>
Total U.S. Department of Health and Human Services			<u>94,141</u>
<i>U.S. Department of Housing and Urban Development</i>			
Community Development Block Grants	Waukesha County	14.228	73,306
Community Development Block Grants	Interfaith Senior Programs, Inc.	14.218	404
HUD Emergency Shelter Grant	Housing Action Coalition of Waukesha County	14.231	<u>23,512</u>
Total U.S. Department of Housing and Urban Development			<u>97,222</u>
<i>U.S. Department of Homeland Security:</i>			
Emergency Food and Shelter National Board Program	United Way	97.024	<u>4,200</u>
<b>Total Federal Awards</b>			<u><u>\$ 390,964</u></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, 2016

(Continued)

Grantor/Program Title	Pass-Through	Identifying Number	Expenditures
<i>Wisconsin Department of Health Services:</i>			
Social Services Block Grant	Waukesha County	437-3561	\$ 75,583
<i>Wisconsin Department of Children and Families:</i>			
DV Basic Services	Not Applicable	437-6000	114,535
DV Children's Programming	Not Applicable	437-6005	25,000
DV Support Services	Not Applicable	437-6015	<u>23,911</u>
Total Wisconsin Department of Children and Families			<u>163,446</u>
<i>Wisconsin Department of Justice:</i>			
SAVS Grant	Not Applicable	455.505	<u>25,979</u>
<b>Total State Awards</b>			<u><u>\$ 265,008</u></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, 2016

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**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, 2016. The information in this schedule is presented in accordance with requirements of the *DHS Audit Guide* issued by the Wisconsin Department of Health Services.

**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. The Center has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance. 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, 2016, the Center received food commodities totaling \$1,282.

**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, 2016

	<b>Counseling</b>	<b>Child Abuse Prevention</b>	<b>Community Education</b>	<b>Employment</b>	<b>Shelter</b>	<b>Transitional Living</b>	<b>Total Programs</b>	<b>Management &amp; General</b>	<b>Fund Raising</b>	<b>Total 2016</b>
<b><u>PUBLIC SUPPORT AND REVENUE</u></b>										
State of Wisconsin	\$ 7,641	\$ 8,815	\$ -	\$ -	\$ 171,840	\$ -	\$ 188,296	\$ -	\$ -	\$ 188,296
Waukesha County grants	-	82,976	-	-	50,303	-	133,279	-	-	133,279
DPI Food Program	-	-	-	-	24,114	-	24,114	-	-	24,114
VOCA	46,222	-	-	-	120,470	-	166,692	-	-	166,692
VOCA mental health	-	-	-	-	4,595	-	4,595	-	-	4,595
HUD Emergency Shelter	-	-	-	-	15,075	8,437	23,512	-	-	23,512
CDBG	11,254	7,000	-	-	33,746	-	52,000	-	-	52,000
CDBG maintenance	1,042	1,251	239	1,118	11,729	5,927	21,306	-	-	21,306
SAVS	16,436	-	9,543	-	-	-	25,979	-	-	25,979
FEMA	-	-	-	-	4,200	-	4,200	-	-	4,200
Other grants	-	-	-	11,594	3,808	-	15,402	-	-	15,402
United Way	33,388	27,979	-	37,611	91,369	68,406	258,753	-	47,162	305,915
Program and rent fees	-	-	-	-	3,250	26,472	29,722	32,182	-	61,904
Contributions	-	-	-	-	-	-	-	-	302,448	302,448
Foundation and corporate grants	33,468	3,447	5,456	6,810	186,522	19,470	255,173	1,497	229,612	486,282
Special events	-	-	-	-	-	-	-	-	270,742	270,742
Gifts in kind	546	-	-	682	11,350	-	12,578	1,579	23,515	37,672
Investment income (loss)	-	-	-	-	-	-	-	43,766	-	43,766
Miscellaneous income	-	-	-	-	-	-	-	2,038	-	2,038
<b>Total public support and revenue</b>	<b>149,997</b>	<b>131,468</b>	<b>15,238</b>	<b>57,815</b>	<b>732,371</b>	<b>128,712</b>	<b>1,215,601</b>	<b>81,062</b>	<b>873,479</b>	<b>2,170,142</b>
<b>Program expenses</b>	<b>212,223</b>	<b>100,658</b>	<b>25,232</b>	<b>94,178</b>	<b>1,038,363</b>	<b>172,737</b>	<b>1,643,391</b>	<b>152,034</b>	<b>315,429</b>	<b>2,110,854</b>
<b>Allocated supporting services</b>	<b>9,165</b>	<b>4,347</b>	<b>1,090</b>	<b>4,067</b>	<b>44,843</b>	<b>7,459.87</b>	<b>70,972</b>	<b>(70,972)</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of public support and revenue over expenses</b>	<b>\$ (71,391)</b>	<b>\$ 26,463</b>	<b>\$ (11,084)</b>	<b>\$ (40,430)</b>	<b>\$ (350,835)</b>	<b>\$ (51,485)</b>	<b>\$ (498,762)</b>	<b>\$ -</b>	<b>\$ 558,050</b>	<b>\$ 59,288</b>



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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, 2016, 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 19, 2017.

**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 an 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. However, material weaknesses may exist that have not been identified.

## **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*.

### **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 19, 2017

**THE WOMEN'S CENTER, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended December 31, 2016

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**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>    </u> Yes	<u>  X  </u> None reported	
Noncompliance material to financial statements noted?	<u>    </u> Yes	<u>  X  </u> No	

**II. Findings and Questioned Costs**

There were no findings or questioned costs.

**III. Prior Audit Findings**

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.

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.

Current Status: The recommendation was implemented during 2016. No similar findings were noted in the 2016 audit.

**THE WOMEN'S CENTER, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended December 31, 2016

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**IV. Other Issues**

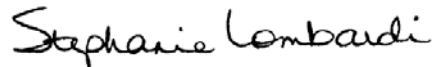
Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?  Yes  No

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 19, 2017