



THE WOMEN'S CENTER, INC.

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For the Years Ended December 31, 2021 and 2020



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THE WOMEN'S CENTER, INC.
TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS	
Statements of Financial Position.....	4-5
Statements of Activities	6-7
Statements of Functional Expenses.....	8-9
Statements of Cash Flows	10
Notes to Financial Statements.....	11-27
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal and State Awards	28-29
Notes to Schedule of Expenditures of Federal and State Awards.....	30
Schedule of Public Support, Revenue and Expenses by Program – Without Donor Restrictions	31
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 <i>GOVERNMENT AUDITING STANDARDS</i>	32-33
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE.....	34-36
Schedule of Findings and Questioned Costs.....	37-38

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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, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Women's Center, Inc. (Organization) as of December 31, 2021 and 2020, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

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 awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards*, and *DHS Audit Guide* issued by the Wisconsin Department of Health Services, is presented for purposes of additional analysis 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 audit 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Audit Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2022, 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 the effectiveness of The Women's Center, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Women's Center, Inc.'s internal control over financial reporting and compliance.

Sikich LLP

Brookfield, Wisconsin
May 26, 2022

FINANCIAL STATEMENTS

THE WOMEN'S CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,957,197	\$ 1,660,072
Pledges receivable	233,300	363
Grants receivable	196,399	192,040
Prepaid expenses	66,940	34,345
Investments	1,824,370	1,350,071
Interest in assets held with others	364,039	296,749
Total current assets	<u>4,642,245</u>	<u>3,533,640</u>
PROPERTY AND EQUIPMENT		
Land and improvements	514,089	112,973
Buildings and improvements	3,691,544	3,671,594
Furniture and equipment	327,243	307,678
Vehicle	18,939	18,939
Construction in progress	-	52,163
Total property and equipment	<u>4,551,815</u>	<u>4,163,347</u>
Less: Accumulated depreciation	<u>1,885,907</u>	<u>1,788,366</u>
Net property and equipment	<u>2,665,908</u>	<u>2,374,981</u>
OTHER ASSETS		
Interest in assets held with others	<u>428,719</u>	<u>399,349</u>
Total other assets	<u>428,719</u>	<u>399,349</u>
TOTAL ASSETS	<u><u>\$ 7,736,872</u></u>	<u><u>\$ 6,307,970</u></u>

(This statement is continued on the following page.)

THE WOMEN'S CENTER, INC.

STATEMENTS OF FINANCIAL POSITION (Continued)

As of December 31, 2021 and 2020

	2021	2020
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 27,413	\$ 14,474
Accrued wages and benefits	102,268	118,292
Refundable grant advance	100,000	100,000
Capital lease obligations	2,959	2,844
Total current liabilities	<u>232,640</u>	<u>235,610</u>
LONG-TERM LIABILITIES		
Notes payable	33,180	33,180
Capital lease obligations, net of current portion	2,287	5,246
Total long-term liabilities	<u>35,467</u>	<u>38,426</u>
Total liabilities	<u>268,107</u>	<u>274,036</u>
NET ASSETS		
Without donor restrictions	6,345,270	5,274,865
With donor restrictions	1,123,495	759,069
Total net assets	<u>7,468,765</u>	<u>6,033,934</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 7,736,872</u></u>	<u><u>\$ 6,307,970</u></u>

See accompanying notes to financial statements.

THE WOMEN'S CENTER, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2021 and 2020

	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS: REVENUE		
Government grants	\$ 1,101,566	\$ 876,616
United Way	128,808	136,070
Program and rent fees	27,783	121,322
Contributions	1,194,648	1,024,377
Special events	155,322	159,398
Investment return, net	247,035	170,723
Gifts in kind	125,046	120,735
Loan forgiveness - Paycheck Protection Program	339,852	332,557
Other income	2,553	-
Loss on disposal of fixed assets	(275)	-
Total revenue	3,322,338	2,941,798
Net assets released from restrictions- satisfaction of restrictions	146,972	106,582
Total revenue	3,469,310	3,048,380
EXPENSES		
Program services:		
Advocacy	220,461	263,360
Family support	108,295	92,632
Education	66,705	65,138
Employment	106,784	101,583
Shelter	1,239,025	1,050,741
Transitional living	171,347	183,636
Total program services	1,912,617	1,757,090
Supporting services:		
Management and general	147,610	123,727
HAC	-	97,469
Fund raising	291,215	313,749
Costs of direct benefits to donors	47,463	3,997
Total expenses	2,398,905	2,296,032
Change in net assets without donor restrictions	1,070,405	752,348

(This statement is continued on the following page.)

THE WOMEN'S CENTER, INC.

STATEMENTS OF ACTIVITIES (Continued)

For the Years Ended December 31, 2021 and 2020

	2021	2020
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions	\$ 482,028	\$ 114,102
Investment return, net	29,370	23,475
Gift in kind	-	200,957
Net assets released from restrictions	(146,972)	(106,582)
Change in net assets with donor restrictions	364,426	231,952
CHANGE IN NET ASSETS	1,434,831	984,300
NET ASSETS, BEGINNING OF YEAR	6,033,934	5,049,634
NET ASSETS, END OF YEAR	\$ 7,468,765	\$ 6,033,934

See accompanying notes to financial statements.

THE WOMEN'S CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2021

	Program Services							Supporting Services			
	Advocacy	Family Support	Education	Employment	Shelter	Transitional Living	Total Programs	Management & General	Fund Raising	Cost of Sales	Total Expenses
Wages	\$ 150,679	\$ 74,190	\$ 50,353	\$ 70,814	\$ 792,005	\$ 71,030	\$ 1,209,071	\$ 72,138	\$ 192,219	\$ -	\$ 1,473,428
Employee benefits	13,431	7,562	1,672	6,209	50,125	7,127	86,126	4,876	18,745	-	109,747
Payroll taxes	11,617	5,706	4,014	5,436	61,779	5,273	93,825	5,657	15,099	-	114,581
Client assistance	562	796	-	10,378	75,587	1,731	89,054	-	-	-	89,054
Professional fees	10,010	6,216	3,077	3,518	45,834	3,727	72,382	37,982	10,146	-	120,510
Supplies	6,132	5,237	1,685	2,442	40,984	8,109	64,589	567	13,650	-	78,806
Client transportation	243	126	-	200	6,163	158	6,890	-	-	-	6,890
Food	194	125	104	70	6,125	75	6,693	2,158	503	-	9,354
Telephone	1,329	848	406	475	6,494	507	10,059	394	1,401	-	11,854
Postage	3	-	-	1	64	2	70	92	3,557	-	3,719
Printing and publication	444	77	104	312	2,673	112	3,722	353	9,959	-	14,034
Utilities	2,917	254	454	775	18,130	19,831	42,361	3,236	2,331	-	47,928
Janitorial	2,142	186	333	569	12,771	3,503	19,504	1,476	1,032	-	22,012
Building and maintenance	2,633	742	574	779	18,101	5,206	28,035	1,991	1,923	-	31,949
Depreciation	8,873	2,934	1,775	2,630	60,946	35,200	112,358	6,081	5,837	-	124,276
Credit card and bank fees	-	-	-	-	-	-	-	2,765	5,536	-	8,301
Liability insurance	5,200	2,427	1,299	1,615	31,390	9,126	51,057	5,245	1,154	-	57,456
Membership dues	899	110	57	61	1,135	165	2,427	79	695	-	3,201
Conferences	252	222	45	167	2,478	108	3,272	55	710	-	4,037
Travel	164	-	459	24	17	-	664	13	21	-	698
Advertising	1,037	169	79	106	3,279	150	4,820	77	3,997	-	8,894
Miscellaneous	1,700	368	215	203	2,945	207	5,638	2,375	2,700	-	10,713
Expenses before cost of sales	220,461	108,295	66,705	106,784	1,239,025	171,347	1,912,617	147,610	291,215	-	2,351,442
COST OF SALES											
Cost of direct benefits to donors - meals and entertainment	-	-	-	-	-	-	-	-	-	47,463	47,463
TOTAL EXPENSES	\$ 220,461	\$ 108,295	\$ 66,705	\$ 106,784	\$ 1,239,025	\$ 171,347	\$ 1,912,617	\$ 147,610	\$ 291,215	\$ 47,463	\$ 2,398,905

See accompanying notes to financial statements.

THE WOMEN'S CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020

	Program Services							Supporting Services				
	Advocacy	Family Support	Education	Employment	Shelter	Transitional Living	Total Programs	Management & General	HAC	Fund Raising	Cost of Sales	Total Expenses
Wages	\$ 188,546	\$ 71,464	\$ 49,776	\$ 75,835	\$ 717,650	\$ 89,015	\$ 1,192,286	\$ 67,309	\$ 76,326	\$ 223,741	\$ -	\$ 1,559,662
Employee benefits	9,325	3,200	2,144	6,173	39,271	6,903	67,016	3,672	10,229	16,646	-	97,563
Payroll taxes	14,980	5,798	3,996	5,929	56,635	6,715	94,053	5,303	5,770	17,448	-	122,574
Client assistance	1,327	129	-	1,550	9,013	468	12,487	-	-	-	-	12,487
Professional fees	7,281	1,425	867	1,116	21,221	1,024	32,934	22,263	1,057	2,956	-	59,210
Supplies	6,849	3,193	1,663	2,635	34,814	4,067	53,221	2,265	231	11,970	-	67,687
Client transportation	515	-	-	-	4,618	-	5,133	-	-	-	-	5,133
Food	287	334	41	585	10,493	76	11,816	357	-	138	-	12,311
Telephone	1,616	625	373	514	5,781	451	9,360	310	465	1,299	-	11,434
Postage	14	-	-	3	199	14	230	306	35	5,095	-	5,666
Printing and publication	309	127	98	257	1,527	174	2,492	740	127	10,524	-	13,883
Utilities	2,745	191	575	622	18,027	15,116	37,276	1,683	277	1,992	-	41,228
Janitorial	2,634	179	540	584	14,248	3,944	22,129	1,819	263	1,144	-	25,355
Building and maintenance	3,006	543	665	776	18,487	10,198	33,675	1,918	592	2,135	-	38,320
Depreciation	7,528	2,144	2,070	2,524	59,033	35,461	108,760	7,898	946	5,711	-	123,315
Credit card and bank fees	-	-	-	-	-	-	-	527	-	7,827	-	8,354
Liability insurance	6,887	1,927	1,466	1,808	27,853	9,187	49,128	5,045	412	1,114	-	55,699
Membership dues	636	56	33	44	1,316	40	2,125	452	242	1,174	-	3,993
Conferences	339	547	178	37	112	91	1,304	626	35	143	-	2,108
Travel	65	4	208	3	42	3	325	32	3	7	-	367
Advertising	5,650	131	78	104	3,450	95	9,508	65	-	702	-	10,275
Miscellaneous	2,821	615	367	484	6,951	594	11,832	1,137	459	1,983	-	15,411
Expenses before cost of sales	263,360	92,632	65,138	101,583	1,050,741	183,636	1,757,090	123,727	97,469	313,749	-	2,292,035
COST OF SALES												
Cost of direct benefits to donors - meals and entertainment	-	-	-	-	-	-	-	-	-	-	3,997	3,997
TOTAL EXPENSES	\$ 263,360	\$ 92,632	\$ 65,138	\$ 101,583	\$ 1,050,741	\$ 183,636	\$ 1,757,090	\$ 123,727	\$ 97,469	\$ 313,749	\$ 3,997	\$ 2,296,032

See accompanying notes to financial statements.

THE WOMEN'S CENTER, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,434,831	\$ 984,300
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	124,276	123,315
Disposition of construction in progress	78,818	-
Loss on disposal of fixed assets	275	-
Unrealized and realized gain on investments	(102,161)	(81,710)
Change in interest in assets held with others	(96,660)	(66,616)
Decrease (increase) in:		
Grants receivable	(4,359)	(19,246)
Prepaid expenses	(32,595)	11,104
Pledges receivable	(232,937)	31,613
Increase (decrease) in:		
Accounts payable	12,939	(10,521)
Accrued wages and benefits	(16,024)	13,685
Net cash from operating activities	1,166,403	985,924
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(494,296)	(89,967)
Purchase of investments	(2,549,122)	(110,498)
Proceeds from sale of investments	2,176,984	(175,100)
Net cash from investing activities	(866,434)	(375,565)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease obligation	(2,844)	(3,003)
Net cash from financing activities	(2,844)	(3,003)
NET CHANGE IN CASH AND CASH EQUIVALENTS	297,125	607,356
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,660,072	1,052,716
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,957,197	\$ 1,660,072
SUPPLEMENTAL CASH FLOW INFORMATION		
Noncash forgiveness of Paycheck Protection Program	\$ 339,852	\$ 332,557

See accompanying notes to financial statements.

THE WOMEN'S CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2021 and 2020

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, shelter and support to empower all impacted by domestic abuse, sexual violence, child abuse and trafficking. The Center provides the following programs:

Advocacy

The program provides short-term individual or group advocacy to adults and child survivors of sexual assault, abuse, domestic violence and trafficking.

Family Support

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. This program also provides onsite child care for clients participating in programming.

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 advocacy.

HAC

The Center led the Waukesha County Homeless Continuum of Care, known as the Housing Action Coalition (HAC), whose mission is to educate, advocate, and raise awareness while providing a cohesive and coordinated response to homeless and the issues related to it such as affordable housing throughout Waukesha County. The Center agreed to lease employee(s) to the HAC for work to be provided at the HAC's discretion. The services to be provided by the Center though the employee(s) contracted by HAC will include services related to the administration of the HAC. During 2020, the Center ceased leasing employees to HAC.

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

Nature of Activities (Continued)

Shelter

This program provides safe, confidential housing and supportive services to adults and their children who are homeless as a result of domestic violence, sexual assault or human trafficking. A confidential 24-hour hotline is run out of the shelter. This program also offers domestic violence or sexual assault or abuse legal advocacy and support to individuals seeking legal remedy in the civil and criminal justice systems.

Transitional Living

The program helps adults 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 (GAAP). 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:

Net Assets Without Donor Restrictions:

Net assets that are not subject to donor-imposed restrictions or imposed stipulations by the Center's Board of Directors (the Board).

Net Assets With Donor Restrictions:

Net assets subject to donor-imposed restrictions that either expire by passage of time, can be fulfilled and removed by actions of the Center pursuant to those restrictions or are required to be maintained in perpetuity by the Center. Generally, the donors of the assets permit the Center to use all of part of the income earned on any related investments for general or specific purposes.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

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

Subsequent Events

Subsequent events are events or transactions that occur after year end but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at year end, including estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at year end but arose after that date (that is, non-recognized subsequent events).

The Center has evaluated subsequent events through May 26, 2022, the date on which the financial statements were available to be issued.

Accounting Pronouncements

In September 2020, FASB issued ASU 2020-07 on Topic 958, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The standard is effective for annual reporting periods beginning after June 15, 2021, and interim periods with annual reporting periods beginning after June 15, 2022. The Center is currently assessing the impact of this new standard.

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, 2021 and 2020, the Center's cash accounts exceeded federally insured limits by approximately \$586,000 and \$517,000, respectively. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Pledges Receivable

Pledges receivable consist primarily of pledges from private organizations, corporations, and individual donors. All pledge receivables are expected to be collected in the next fiscal year.

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

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. Based upon management's evaluation, the Center believes that an allowance for doubtful accounts is not considered necessary as of December 31, 2021 and 2020; however, actual write-offs may occur.

Investments and Investment Income

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

Investment income (including realized and unrealized gains and losses, interest, and dividends) is reported as revenue without donor restrictions unless the income is restricted by the donor. Restricted investment income earned and released in the same year is recorded as revenue without donor restrictions. Realized gains or losses are determined by specific identification. Investment income (loss) is reported net of external and direct internal investment fees.

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.

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

Revenue Recognition

Grant Income

A portion of the Center's revenue is derived from cost-reimbursable and federal, state and local contracts and grants, which are conditioned upon certain performance obligations and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Center has incurred expenditures in compliance with specific contract or grant provisions. The Center has adopted the policy of recording grants whose conditions are met in the same reporting period as revenue without donor restrictions. The Center received cost-reimbursable grants of \$293,980 and \$487,388 as of December 31, 2021 and 2020, respectively, that have not been recognized at year end because qualifying expenditures have not yet been incurred. Amounts received prior to incurring qualifying expenditures are reported as refundable grant advances in the statement of financial position. There were no advance payments on grants received as of December 31, 2021 and 2020.

Contributions

The Center recognizes contribution revenue when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Conditional promises to give with advance payment are included in the statements of financial position as refundable grant advances. As of December 31, 2021 and 2020, the Center's refundable grant advance is to be used for capital expenditures to expand existing capacity to provide services or to provide new services or programs consistent with the mission of the Center. The Center is required to propose a plan that meets the donor's approval by December 29, 2023. If the plan has not been proposed by December 31, 2021, the funds are to be returned to the donor. As of December 31, 2021, a plan had been proposed and is awaiting approval by the donor.

Contributions received are recorded as with or without donor restrictions depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as released from restrictions. The Center has adopted the policy of recording donor restricted contributions whose restrictions are met in the same reporting period as support without donor restrictions.

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

Revenue Recognition (Continued)

Special Event Revenue

Special event revenue is made up of sponsorships and ticket sales. The portion that relates to the commensurate value the sponsor and attendee receives in return is recognized when the related events are held, and performance obligations are met. If an event is not held, the sponsorships and ticket sales are refundable. The excess amounts over commensurate value are considered a contribution that is recognized when the related events are held.

Program and Rent Fees

Program fees, which are nonrefundable, are comprised of an exchange element based on the value of benefits provided. Revenue from program fees are recognized when the services are provided, the performance obligation has been met and the funds are received. The lease agreements contain a single performance obligation which is satisfied as the monthly rentals are incurred. The rentals are short term rentals typically for 14 to 18 months.

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>2021</u>	<u>2020</u>
Supplies and other	\$ 16,617	\$ 21,726
Donated investments	108,429	299,966
TOTAL	<u>\$ 125,046</u>	<u>\$ 321,692</u>

There were no donated services for special events for the years ended December 31, 2021 and 2020.

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

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

Revenue Recognition (Continued)

Contributions In-Kind (Continued)

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.

Significant Judgments and Estimates

There are no significant judgments or estimates involved in the recognition of revenue from all revenue streams.

Disaggregation of Revenue from Contracts with Customers

	<u>2021</u>	<u>2020</u>
Special event revenue recognized at a point in time	\$ 66,977	\$ 71,898
Program fees recognized over time	1,000	94,025
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	<u>\$ 67,977</u>	<u>\$ 165,923</u>

Contract Assets and Liabilities

The timing of revenue recognition, billings and cash collections results in billed accounts receivable (contract assets) and deferred revenue (contract liabilities) on the statement of financial position. Contract liabilities are released as the performance obligation are met. There were no contract balances as of December 31, 2021 and 2020.

Concentrations of Revenues

Revenues from one granting agency accounted for approximately 10% of total revenues for the years ended December 31, 2021 and 2020. As of December 31, 2021 and 2020, approximately 86% and 83%, respectively, of total grants receivable were due from three different granting agencies.

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, 2021 and 2020:

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

Depreciation expense was \$124,276 and \$123,315 for the years ended December 31, 2021 and 2020, respectively.

Advertising Cost

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2021 and 2020 was \$8,894 and \$10,275, respectively.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. 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. Indirect administrative expenses such as supplies, postage, printing, etc. are charged to the programs according to a cost allocation plan based on direct labor hours. Depreciation is charged to the programs based on estimated square footage.

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

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

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. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,957,197	\$ 1,660,072
Pledges receivable	233,300	363
Grants receivable	196,399	192,040
Investments	1,824,370	1,350,071
Interest in assets held with others	792,758	696,098
Total financial assets and liquid resources	5,004,024	3,898,644
Less donor imposed restrictions:		
Time & purpose restriction	(609,246)	(274,311)
Board designated	(816,975)	(1,058,035)
Endowments	(428,719)	(399,349)
Refundable grant advance	(100,000)	(100,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,049,084</u>	<u>\$ 2,066,949</u>

The Center maintains financial assets, consisting of cash and short-term investments, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary. As part of its liquidity management, the Center invests cash in excess of daily requirements in various short-term investments.

The Center also maintains a line of credit in the amount of \$150,000, which could be drawn upon in the event of an anticipated liquidity need.

3. 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.

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 during the years ended December 31, 2021 and 2020.

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, 2021 and 2020.

Mutual 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 Foundations. The Center considers the measurement of a portion of its interest in assets held by the Foundations to be a Level 3 measurement within the hierarchy because even though that measurement is based on the unadjusted fair value of trust assets reported by the trustee, the Center will never receive those assets or have the ability to direct the trustee to redeem them. The amount invested in the Foundations that is not restricted in perpetuity is considered a level 2 investment.

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

3. FAIR VALUE MEASUREMENTS (Continued)

Recurring Measurements

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

	2021			Total
	Level 1	Level 2	Level 3	
ASSETS				
Mutual funds	\$ 1,795,817	\$ -	\$ -	\$ 1,795,817
Interest in assets held by the Greater Milwaukee Foundation and Waukesha County Community Foundation	-	364,039	428,719	792,758
TOTAL ASSETS AT FAIR VALUE	\$ 1,795,817	\$ 364,039	\$ 428,719	2,588,575
Cash*				28,553
TOTAL INVESTMENTS AND INTEREST IN ASSETS HELD WITH OTHERS				\$ 2,617,128

*Reported at cost

	2020			Total
	Level 1	Level 2	Level 3	
ASSETS				
Mutual funds	\$ 1,301,274	\$ -	\$ -	\$ 1,301,274
Interest in assets held by the Greater Milwaukee Foundation and Waukesha County Community Foundation	-	296,749	399,349	696,098
TOTAL ASSETS AT FAIR VALUE	\$ 1,301,274	\$ 296,749	\$ 399,349	1,997,372
Cash*				48,797
TOTAL INVESTMENTS AND INTEREST IN ASSETS HELD WITH OTHERS				\$ 2,046,169

*Reported at cost

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

3. FAIR VALUE MEASUREMENTS (Continued)

Recurring Measurements (Continued)

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:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 399,349	\$ 375,874
Contributions	-	303
Net realized and unrealized gains	29,370	23,172
BALANCE, END OF YEAR	<u><u>\$ 428,719</u></u>	<u><u>\$ 399,349</u></u>
Change in unrealized gains for the period included in changes in net assets for assets held at the end of the year	<u><u>\$ 29,370</u></u>	<u><u>\$ 23,172</u></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 return on the statements of activities.

4. 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 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 net assets with donor restrictions (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.

4. ENDOWMENTS (Continued)

Interpretation of Relevant Law Governing Endowments (Continued)

The remaining portion of the donor-restricted endowment fund that is not required to be held in perpetuity is classified as net assets with donor restrictions 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.

From time to time, certain endowment funds may have fair values less than the amount required to be maintained by donor or by law (underwater endowments). The Center has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no amounts underwater as of December 31, 2021 and 2020.

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

	<u>2021</u>	<u>2020</u>
	<u>With Donor</u>	<u>With Donor</u>
	<u>Restrictions</u>	<u>Restrictions</u>
Endowment net assets, beginning of year	\$ 399,349	\$ 375,874
Investment return, net	29,370	23,475
ENDOWMENT NET		
ASSETS, END OF YEAR	<u>\$ 428,719</u>	<u>\$ 399,349</u>

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.

4. ENDOWMENTS (Continued)

Endowment Investment Policy (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 4.50% 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.

5. LINE OF CREDIT

The Center has a credit agreement with a bank for up to \$150,000 of borrowings which expires on March 1, 2023. The agreement calls for monthly interest payments at the bank's prime rate (3.25% as of December 31, 2021). No amounts were outstanding as of December 31, 2021 and 2020.

6. NOTES PAYABLE

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

	<u>2021</u>	<u>2020</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. There is no collateral on the loan.	\$ 33,180	\$ 33,180

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

6. NOTES PAYABLE (Continued)

The following is a maturity schedule of notes payable:

2022	\$	-
2023		-
2024		-
2025		-
2026		-
Thereafter		<u>33,180</u>
TOTAL	\$	<u><u>33,180</u></u>

7. CAPITAL LEASE OBLIGATION

	<u>2021</u>	<u>2020</u>
Equipment	\$ 14,229	\$ 14,229
Less: Accumulated depreciation	<u>8,776</u>	<u>5,928</u>
TOTAL	<u><u>\$ 5,453</u></u>	<u><u>\$ 8,301</u></u>

Amortization of capitalized lease assets included in depreciation expense was \$2,848 for 2021 and 2020.

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:

2022	\$	3,125
2023		<u>2,344</u>
Total minimum lease payments		5,469
Less: Amount representing interest		<u>223</u>
Present value of net minimum lease payments		5,246
Amount due currently		<u>2,959</u>
AMOUNT DUE AFTER ONE YEAR	\$	<u><u>2,287</u></u>

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

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following items at December 31:

	<u>2021</u>	<u>2020</u>
Restricted as to time and purpose:		
Client resources	\$ 16,312	\$ 34,199
Capital and equipment	15,462	25,159
Development	2,603	913
Youth	6,373	11,777
Miscellaneous	-	830
Staff	1,724	477
Time restriction - United Way and other	85,530	85,409
Time restriction - Pledges Receivable	232,816	-
Income earned on endowment funds	205,612	176,242
Capital improvements	333,956	200,956
Total restricted as to time and purpose	<u>900,388</u>	<u>535,962</u>
Restricted in perpetuity:		
Greater Milwaukee Foundation	144,215	144,215
Waukesha County Community Foundation	78,892	78,892
Total restricted in perpetuity	<u>223,107</u>	<u>223,107</u>
TOTAL	<u>\$ 1,123,495</u>	<u>\$ 759,069</u>

9. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consisted of the following items at December 31:

	<u>2021</u>	<u>2020</u>
Undesignated	\$ 5,528,295	\$ 4,216,830
Board designated		
Property and equipment needs	-	28,035
Employee self care	15,000	-
2022 PR campaign	15,000	-
Future capital needs	786,975	1,030,000
Total board designated	<u>816,975</u>	<u>1,058,035</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 6,345,270</u>	<u>\$ 5,274,865</u>

10. 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 2021 and 2020, the Center received approximately \$97,000 and \$70,000, respectively, from the members of the Board of Directors.

11. PAYCHECK PROTECTION PROGRAM

The Paycheck Protection Program (PPP) is a low-interest Small Business Administration (SBA) loan and generally covers two and a half months of payroll cost and may be forgiven entirely if the borrower limits salary reductions to no more than 25% and maintain staffing levels for 24 weeks after getting the loan. The Center was approved for a loan on April 23, 2020 under this program in the amount of \$332,557, with interest at 1% and maturity date of April 23, 2022. This type of transaction is new and no authoritative guidance for loan forgiveness from a government agency has been issued. As such, the Center has elected to account for the PPP loan as a government grant. The Center has recognized the income as loan forgiveness income in the 2020 statement of activities as the money was used for qualifying expenses (i.e. payroll and related benefits) under the terms of the SBA loan. Formal forgiveness was received from the SBA on January 14, 2021.

The Center applied for a second SBA loan under the PPP. The Center requested and received funding in the amount of \$339,852 on January 29, 2021. The funding was in the form of an unsecured bank Promissory Note bearing an interest rate of 1% with a maturity of January 29, 2026. The amount was determined using the SBA required formula of certain average historical monthly payroll expenses times 2.5. The loan proceeds will be used to retain workers and maintain payroll or make mortgage, lease or utility payments. Forgiveness of the loan is available for qualified amounts under the SBA requirements. The Center has recognized the income as loan forgiveness income in the 2021 statement of activities as the money was used for qualifying expenses (i.e. payroll and related benefits) under the terms of the SBA loan. Formal forgiveness was received from the SBA on December 20, 2021.

SUPPLEMENTARY INFORMATION

THE WOMEN'S CENTER, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2021

Grantor/Program Title	Pass-Through	Identifying Number	Expenditures
<i>Department of Justice:</i>			
Crime Victim Assistance	WI Department of Justice	16.575	\$ 397,252 *
Total of Department of Justice			<u>397,252</u>
<i>Department of Agriculture:</i>			
Child and Adult Care Food Program	WI Department of Public Instruction	10.558	<u>15,059</u>
<i>Department of Children and Families:</i>			
DV Basic Services	WI Department of Children and Families	93.671	30,484
FVPSA Part A	WI Department of Children and Families	93.671	602
FVPSA Part B	WI Department of Children and Families	93.671	<u>8,812</u>
Total of Department of Children and Families			<u>39,898</u>
<i>Department of Health and Human Services:</i>			
Child Welfare Services	Waukesha County	93.645	4,880
Foster Care Title IV-E	Waukesha County	93.658	63,065
Temporary Assistance to Needy Families	WI Trust Account Foundation	93.558	20,091
Trafficking Victim Assistance Program	Waukesha County	93.598	<u>3,786</u>
Total U.S. Department of Health and Human Services			<u>91,822</u>
<i>U.S. Department of Housing and Urban Development:</i>			
Community Development Block Grants	Waukesha County	14.218	<u>266,348</u>
<i>U.S. Department of Homeland Security:</i>			
Emergency Food and Shelter National Board Program	United Way	97.024	<u>5,000</u>
TOTAL FEDERAL AWARDS			<u><u>\$ 815,379</u></u>

(This statement is continued on the following page.)

THE WOMEN'S CENTER, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

For the Year Ended December 31, 2021

Grantor/Program Title	Pass-Through	Identifying Number	Expenditures
<i>Wisconsin Department of Health Services:</i>			
Social Service Block Grant	Waukesha County	437-3561	\$ 68,000
<i>Greater Wisconsin Agency on Aging Resources:</i>			
Domestic Abuse in Later Life	Not Applicable	435-521729	4,035
<i>Wisconsin Department of Children and Families:</i>			
DV Basic Services	Not Applicable	437-6000	134,027
DV Children's Programming	Not Applicable	437-6005	30,000
DV Support Services	Not Applicable	437-6015	25,000
Total Wisconsin Department of Children and Families			189,027
<i>Wisconsin Department of Justice:</i>			
SAVS Grant	Not Applicable	455.505	25,125
TOTAL STATE AWARDS			\$ 286,187

* Major Program

THE WOMEN'S CENTER, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2021

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of The Women's Center, Inc. under programs of the federal government for the year ended December 31, 2021. The information in this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (Uniform Guidance) and the *DHS Audit Guide* issued by the Wisconsin Department of Health Services.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* and 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 not elected 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. NON-CASH ASSISTANCE, LOANS, AND INSURANCE

The Women's Center, Inc. did not receive any federal non-cash assistance, federal loans or federal insurance for the year ended December 31, 2021

4. COMMODITIES

Nonmonetary 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 (ALN #10.558). For the year ended December 31, 2021, the Center received food commodities totaling \$2,086.

5. SUBRECIPIENTS

The Women's Center, Inc. did not provide federal awards to subrecipients during the year ended December 31, 2021.

THE WOMEN'S CENTER, INC.

SCHEDULE OF PUBLIC SUPPORT, REVENUE AND EXPENSES BY PROGRAM – WITHOUT DONOR RESTRICTIONS

For the Year Ended December 31, 2021

	<u>Advocacy</u>	<u>Family Support</u>	<u>Education</u>	<u>Employment</u>	<u>Shelter</u>	<u>Transitional Living</u>	<u>Total Programs</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Cost of Sales</u>	<u>Total 2021</u>
<u>PUBLIC SUPPORT AND REVENUE</u>											
State of Wisconsin	\$ -	\$ 19,017	\$ -	\$ -	\$ 209,907	\$ -	\$ 228,924	\$ -	\$ -	\$ -	\$ 228,924
Waukesha County grants	-	84,636	-	-	51,309	-	135,945	-	-	-	135,945
DPI Food Program	-	-	-	-	15,059	-	15,059	-	-	-	15,059
VOCA	76,854	-	-	-	320,398	-	397,252	-	-	-	397,252
CDBG	14,000	-	-	28,512	42,338	6,500	91,350	-	-	-	91,350
CDBG Acquisition grant	19,881	12,760	5,823	7,185	93,445	7,661	146,755	7,382	20,863	-	175,000
WISTAF	-	-	-	-	20,090	-	20,090	-	-	-	20,090
SAVS	-	-	25,125	-	-	-	25,125	-	-	-	25,125
FEMA	-	-	-	-	5,000	-	5,000	-	-	-	5,000
TVAP	3,786	-	-	-	-	-	3,786	-	-	-	3,786
Other grants	-	-	-	-	4,035	-	4,035	-	-	-	4,035
PPP Forgiveness	27,360	29,606	10,002	14,808	118,209	40,107	240,092	23,117	76,643	-	339,852
United Way	21,324	16,640	-	30,084	58,164	43,884	170,096	-	43,639	-	213,735
Program and rent fees	1,000	-	-	-	-	26,783	27,783	-	-	-	27,783
Contributions	14,090	2,917	5,790	7,382	132,808	14,139	177,126	352	1,079,214	-	1,256,692
Special events	-	-	-	-	-	-	-	-	155,322	-	155,322
Gifts in kind	1,611	594	39	638	9,544	2,515	14,941	172	109,933	-	125,046
Investment return, net	-	-	-	-	-	-	-	247,035	-	-	247,035
Loss on fixed asset disposal	-	-	-	-	-	(275)	(275)	-	-	-	(275)
Miscellaneous income	-	-	-	-	-	-	-	2,554	-	-	2,554
	179,906	166,170	46,779	88,609	1,080,306	141,314	1,703,084	280,612	1,485,614	-	3,469,310
Program expenses	220,461	108,295	66,705	106,784	1,239,025	171,347	1,912,617	147,610	291,215	47,463	2,398,905
Allocated supporting services	20,171	-	9,911	9,040	78,943	14,937	133,002	(133,002)	-	-	-
Allocated family supporting services	8,777	(57,875)	4,313	3,934	34,351	6,500	-	-	-	-	-
Allocated unrestricted contributions	11,607	-	5,702	5,201	45,425	8,596	76,531	-	(76,531)	-	-
Excess (deficiency) of public support and revenue over expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,117,868	\$(47,463)	\$ 1,070,405

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**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, 2021, 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 May 26, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization'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. 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 financial statements. 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Brookfield, Wisconsin
May 26, 2022

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Women's Center, Inc.'s (Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2021. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Sikich LLP

Brookfield, Wisconsin
May 26, 2022

THE WOMEN'S CENTER, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2021

I. Summary of Auditor's Results

Financial Statements

Type of Auditors Report Issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over financial reporting:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported

Type of auditors report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? Yes No

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.575	Crime Victims Assistance

Dollar threshold to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

THE WOMEN'S CENTER, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended December 31, 2021

II. Financial Statement Findings

None

III. Findings and Questioned Costs for Federal Awards

None

IV. Prior Audit Findings

None

Name and Signature of Director



Ashley Johnson, CPA
May 26, 2022