

Women's Center of Greater Danbury, Inc.

**Financial Statements with Independent Auditor's Report**

Years Ended June 30, 2019 and 2018

Women's Center of Greater Danbury, Inc.

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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the Women's Center of Greater Danbury, Inc. (a Connecticut not-for-profit corporation), which comprise the statements of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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 control 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 audit. We conducted our audit 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, and the Connecticut State Single Audit Act (C.G.S. Sections 4-230 and 4-236). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 the 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 Women's Center of Greater Danbury, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Other Matters***

We have previously audited the Women's Center of Greater Danbury, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 20, 2018. In our opinion, the summarized comparative information presented herein and as of for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Other Reporting Required by Government Auditing Standards and the Connecticut State Single Audit Act*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2019 on our consideration of the Women's Center of Greater Danbury, 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. In accordance with the Connecticut State Single Audit Act, we have also issued our report dated September 23, 2019 on the compliance and internal control applicable to its major program.

September 23, 2019

**Statement of Financial Position**

As of June 30, 2019  
(With comparative totals for 2018)

	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 2,302,830	\$ 1,968,518
Investments	113,956	108,832
Grants receivable	115,229	117,322
Prepaid expenses and other	21,547	23,241
Total Current Assets	<u>2,553,562</u>	<u>2,217,913</u>
Property and Equipment, net	1,231,721	1,086,605
Other Assets		
Deferred financing charges, net	11,665	12,561
Total Assets	<u>\$ 3,796,948</u>	<u>\$ 3,317,079</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts payable	\$ 44,859	\$ 44,446
Accrued payroll and related taxes	31,226	73,603
Current portion of long-term debt	18,940	18,475
Security deposits held	3,525	3,525
Deferred revenue	6,325	5,300
Total Current Liabilities	<u>104,875</u>	<u>145,349</u>
Long-Term Liabilities		
Mortgage payable	322,848	341,350
Total Liabilities	<u>427,723</u>	<u>486,699</u>
Net Assets		
Without restrictions	3,369,225	2,830,380
Total Net Assets	<u>3,369,225</u>	<u>2,830,380</u>
Total Liabilities and Net Assets	<u>\$ 3,796,948</u>	<u>\$ 3,317,079</u>

*The accompanying notes are an integral part of these financial statements.*

**Statement of Activities**

Year Ended June 30, 2019  
(With comparative totals for 2018)

	<u>2019</u>	<u>2018</u>
<b>Operating Support and Revenue:</b>		
Government grants	\$ 1,287,967	\$ 1,075,862
Contributions	432,848	962,891
Fundraising activities	710,982	654,804
Foundations and organizations	208,075	222,860
Program service fees	6,577	400
Investment return, net, and other	19,279	25,247
Total Support and Revenue	<u>2,665,728</u>	<u>2,942,064</u>
<b>Operating Expenses:</b>		
Program services	1,613,901	1,600,139
Management and general	216,593	208,939
Fundraising	309,073	312,355
Total Operating Expenses	<u>2,139,567</u>	<u>2,121,433</u>
Excess of Operating Revenue Over Expenses	526,161	820,631
<b>Non-Operating Income and Expenses:</b>		
Rental income	47,280	47,280
Tenant expenses	(34,596)	(38,576)
Net Non-Operating Income	<u>12,684</u>	<u>8,704</u>
<b>Change in Net Assets Without Restrictions</b>	538,845	829,335
<b>Net Assets Without Restrictions- beginning</b>	2,830,380	2,001,045
<b>Net Assets Without Restrictions - ending</b>	<u>\$ 3,369,225</u>	<u>\$ 2,830,380</u>

*The accompanying notes are an integral part of these financial statements.*

**Statement of Functional Expenses**

Year Ended June 30, 2019  
(With comparative totals for 2018)

Account	2019					2018
	Program Expenses	Management & General	Fund Raising	Tenant Expenses	Total Expenses	Total Expenses
Salaries	\$ 1,079,519	\$ 148,047	\$ 127,521	\$ 10,133	\$ 1,365,220	\$ 1,372,953
Payroll taxes	95,461	13,284	11,472	-	120,217	110,743
Employee benefits	85,440	12,552	10,044	-	108,036	120,366
Travel & parking	12,211	326	268	900	13,705	12,882
Office maintenance	23,741	3,480	2,859	-	30,080	22,502
Professional fees	80,531	10,831	7,280	-	98,642	72,028
Insurance	62,083	9,089	7,382	-	78,554	79,085
Office supplies	10,795	1,681	3,517	-	15,993	13,519
Postage	2,512	355	957	-	3,824	4,598
Printing	5,217	767	668	-	6,652	8,382
Telephone	10,517	1,282	1,035	-	12,834	9,648
Equipment expense	6,442	943	763	-	8,148	7,993
Program costs	516	-	-	-	516	20,176
Program supplies	-	-	-	-	-	603
Client assistance	4,389	-	-	-	4,389	1,052
Newsletter	-	275	-	-	275	-
Dues and publications	7,226	747	875	-	8,848	6,817
Membership	-	-	6,262	-	6,262	6,439
Staff training and education	3,528	-	-	-	3,528	4,950
Board committee expense	1,296	-	-	-	1,296	-
Shelter overhead	33,173	-	-	-	33,173	33,411
Depreciation and amortization	37,904	5,554	4,477	11,124	59,059	52,787
Auto expense	1,674	-	-	-	1,674	864
Miscellaneous	922	223	85	-	1,230	2,200
Fundraising	-	-	73,013	-	73,013	62,949
SUSO expenses	-	-	44,842	-	44,842	45,701
Real estate taxes	5,782	847	683	2,437	9,749	9,978
Utilities	28,263	4,148	3,327	3,781	39,519	46,000
Interest expense	10,931	1,601	1,291	4,608	18,431	17,635
Building maintenance	3,828	561	452	1,613	6,454	13,747
	<u>\$ 1,613,901</u>	<u>\$ 216,593</u>	<u>\$ 309,073</u>	<u>\$ 34,596</u>	<u>\$ 2,174,163</u>	<u>\$ 2,160,009</u>

*The accompanying notes are an integral part of these financial statements.*

**Schedule of Program Expenses**

Year Ended June 30, 2019  
(With comparative totals for 2018)

Account	2019			2018	
	Domestic Violence Services	Sexual Assault Services	Resource Services	Total Program Services	Total Program Services
Salaries	\$ 596,844	\$ 415,060	\$ 67,615	\$ 1,079,519	\$ 1,077,995
Payroll taxes	52,299	37,231	5,931	95,461	87,275
Employee benefits	47,207	32,861	5,372	85,440	94,472
Travel & parking	6,459	5,611	141	12,211	11,235
Office maintenance	12,980	9,262	1,499	23,741	17,693
Professional fees	32,878	43,899	3,754	80,531	56,577
Insurance	34,240	23,950	3,893	62,083	62,135
Office supplies	6,060	4,076	659	10,795	9,848
Postage	1,437	923	152	2,512	3,613
Printing	2,861	2,021	335	5,217	5,687
Telephone	5,727	4,243	547	10,517	8,368
Equipment expense	3,560	2,479	403	6,442	6,383
Program costs	508	7	1	516	20,176
Program supplies	-	-	-	-	603
Client assistance	4,389	-	-	4,389	1,052
Dues and publications	4,433	2,474	319	7,226	5,551
Staff training and education	1,919	1,381	228	3,528	3,884
Board committee expense	732	488	76	1,296	-
Shelter overhead	33,173	-	-	33,173	33,411
Depreciation and amortization	20,956	14,574	2,374	37,904	33,130
Auto expense	1,674	-	-	1,674	864
Miscellaneous	478	397	47	922	1,729
Real estate taxes	3,197	2,223	362	5,782	5,876
Utilities	15,619	10,870	1,774	28,263	34,102
Interest expense	6,043	4,203	685	10,931	10,385
Building maintenance	2,116	1,472	240	3,828	8,095
	<u>\$ 897,789</u>	<u>\$ 619,705</u>	<u>\$ 96,407</u>	<u>\$ 1,613,901</u>	<u>\$ 1,600,139</u>

*The accompanying notes are an integral part of these financial statements.*



**Statement of Cash Flows**

Year Ended June 30, 2019  
(With comparative totals for 2018)

	<u>2019</u>	<u>2018</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 538,845	\$ 829,335
Adjustments to reconcile change in unrestricted net assets to net cash provided by operating activities:		
Depreciation and amortization	59,059	52,787
Net realized and unrealized gain on investments	(2,686)	(6,413)
Change in grants receivable	2,093	(72,776)
Change in prepaid expenses	1,694	(13,040)
Change in accounts payable	413	29,151
Change in accrued payroll and related taxes	(42,377)	44,714
Change in security deposits held	-	(4,600)
Change in deferred revenue	1,025	1,089
Net cash provided by operating activities	<u>558,066</u>	<u>860,247</u>
<b>Cash Flows From Investing Activities</b>		
(Purchase) sale of investments, net	(2,439)	46,840
Building improvements	(89,709)	-
Design and other costs - new shelter	(106,082)	-
Acquisition of equipment	(7,487)	(39,844)
Net cash (used in) provided by investing activities	<u>(205,717)</u>	<u>6,996</u>
<b>Cash Flows From Financing Activities</b>		
Principal payments on mortgage	(18,037)	(15,175)
Net cash used in financing activities	<u>(18,037)</u>	<u>(15,175)</u>
<b>Net Increase in Cash</b>	334,312	852,068
<b>Cash at the beginning of the year</b>	1,968,518	1,116,450
<b>Cash at the end of the year</b>	<u>\$ 2,302,830</u>	<u>\$ 1,968,518</u>
<b>Supplemental Disclosures:</b>		
Cash paid for interest	\$ 18,431	\$ 17,635

*The accompanying notes are an integral part of these financial statements.*

## Notes to the Financial Statements

### NOTE 1 - NATURE OF ORGANIZATION

The Women's Center of Greater Danbury, Inc. (the "Women's Center") is an agency that exists to provide free and confidential services to prevent or lessen the trauma associated with domestic violence, sexual assault and other major life transitions. The Women's Center operates three basic programs: resource services, domestic violence services and sexual assault services.

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

#### 1. *Change in Accounting Principle*

In August 2016, the Financial Accounting Standards Board discussed Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendment changes the previous reporting model for nonprofit organizations and enhances the disclosure requirements. The major changes include: (a) requiring the presentation of only two classes of net assets rather than three, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. This ASU is effective for annual periods beginning after December 15, 2017. Management has adopted ASU 2016-14 for the year ended June 30, 2019. The amendments have been retrospectively applied, with the exception of the disclosures on liquidity and availability of resources for the year ended June 30, 2018.

#### 2. *Basis of Accounting and Presentation*

The Women's Center prepares its financial statements on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accounts of the Women's Center are reported in the following net asset category:

**Net Assets Without Donor Restrictions** - Net assets without restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the Board of Directors. Undesignated net assets represent the portion of expendable funds that is available for support of operations. Designated net assets represent reserves or special designations established by the Board of Directors. See NOTE 6 for net assets without donor restrictions that have been designated by the Board of Directors for specific uses.

**Notes to the Financial Statements (continued)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)**

3. *Cost Allocation*

The Women's Center allocates its costs on a functional basis among its various program and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Expenses that are common to several functions have been allocated based on management's estimate of the actual activities of the organization's employees using timesheets by cost center as its allocation basis.

4. *Cash and Cash Equivalents*

The Women's Center maintains its cash balance at three financial institutions. Cash and cash equivalents are deposits with a maturity of three months or less. At various times during the year the balances on deposit may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. The Women's Center has not experienced any losses on such deposits and believes that it is not exposed to any significant credit risk on these balances because of the credit worthiness of the financial institutions.

5. *Investments*

The Women's Center carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values based on quoted prices in active markets (all Level 1 measurements) in the Statement of Financial Position.

Securities transactions are recorded on a trade date basis. Interest is recorded as earned and dividends are recorded as of the ex-dividend date. Investment income reported in the Statement of Activities includes interest, dividends and realized and unrealized appreciation and depreciation, and is reduced by investment management and transaction fees.

5. *Grants and Contracts*

Grants and contracts are generally considered exchange transactions in which the grantor or contractor requires the performance of specified activities. Revenue is recognized to the extent of grant expenditures or the extent of performance achieved. The unexpended portion of grant income restricted for a specific use or for use in a future period is reported as deferred revenue.

**Notes to the Financial Statements (continued)**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)**

6. *Donated Equipment and Services*

Donated equipment is reflected as contributions in the accompanying statements at its estimated value at the date of receipt. The contribution of services is recognized if the services received create or enhance non-financial assets and require specialized skills. A substantial number of volunteers donated approximately 23,000 hours last year to the organization's fund raising and program activities; however, these donated services do not meet the criteria for recognition of contributed services and are not reflected in the financial statements.

7. *Income Taxes*

The Women's Center is an organization exempt from income taxes under Section 501(a) of the Internal Revenue Code as an organization described under Section 501(c)(3). Management is not aware of any course of action or series of events that have occurred that might adversely affect the organization's exempt status. Accounting principles generally accepted in the United States of America (GAAP) require management to evaluate tax positions taken by the organization and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Women's Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes that it is no longer subject to income tax examinations for years prior to 2015.

8. *Subsequent Events*

Management has evaluated transactions and events that occurred through September 23, 2019, the date these financial statements were available to be issued, for recognition and/or disclosure in these financial statements.

**Notes to the Financial Statements (continued)**

**NOTE 3 - INVESTMENTS**

Investments consist of cash and marketable securities and are presented in the financial statements at fair value based on quoted prices in active markets (all Level 1 measurements). Market risk could occur and is dependent on the future changes in market prices of the various investments held. All the investments are included in unrestricted net assets. An analysis of the investments held as of June 30, 2019 is as follows:

	<u>Fair Value</u>	<u>Cost</u>
Mutual funds and equity securities	\$ 107,755	\$ 94,129
Money market funds	6,201	6,201
	<u>\$ 113,956</u>	<u>\$ 100,330</u>

An analysis of the investments held as of June 30, 2018 is as follows:

	<u>Fair Value</u>	<u>Cost</u>
Mutual funds and equity securities	\$ 105,069	\$ 94,128
Money market funds	3,763	3,763
	<u>\$ 108,832</u>	<u>\$ 97,891</u>

**NOTE 4 - PROPERTY AND EQUIPMENT**

The Women's Center follows the practice of capitalizing all expenditures in excess of \$500 for equipment and other fixed assets. The estimated fair market value of donated fixed assets is similarly capitalized. Contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Women's Center reports expirations of donor restrictions when the acquired assets are placed in service. The assets are reclassified to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives.

Property and equipment consist of the following:

	<u>2019</u>	<u>2018</u>
Buildings, land & improvements	\$ 2,352,183	\$ 2,156,392
Equipment, furniture & van	166,514	159,027
Total property and equipment	2,518,697	2,315,419
Accumulated depreciation	(1,286,976)	(1,228,814)
Property and equipment, net	<u>\$ 1,231,721</u>	<u>\$ 1,086,605</u>

**Notes to the Financial Statements (continued)**

**NOTE 5 - MORTGAGE PAYABLE**

A summary of long-term debt is as follows:

	<u>2019</u>	<u>2018</u>
\$375,000 mortgage loan dated June 20, 2017 due in monthly installments of \$2,974.50; maturity July 2032; interest at 4.95%; all buildings and land owned by the organization has been pledged as collateral against the loan, in addition to assignment of leases.	341,788	359,825
	<u>341,788</u>	<u>359,825</u>
Less: current portion	(18,940)	(18,475)
	<u>\$ 322,848</u>	<u>\$ 341,350</u>

A summary of principal payments due on all long-term debt for the following five years is as follows:

Year ending June 30, 2020	\$ 18,940
2021	\$ 19,944
2022	\$ 20,968
2023	\$ 22,046
2024	\$ 23,143
Thereafter	\$ 236,747

In addition to the above mortgage payable, the Women's Center has a line of credit with a local bank in the amount of \$200,000 bearing interest at the financial institutions base lending rate (5.50% at June 30, 2019). The line of credit had a \$-0- balance at June 30, 2019 and 2018, respectively. The line of credit is secured by a second mortgage and security agreement on certain real property of the Women's Center along with an absolute assignment of leases on which the Women's Center is the lessor.

**NOTE 6 - NET ASSETS WITHOUT RESTRICTION**

Net assets without restriction consist of the following balances at June 30:

	<u>2019</u>	<u>2018</u>
Designated for contingencies	\$ 17,390	\$ 17,390
Designated for endowments	100,000	100,000
Property and equipment, net of related debt	889,933	726,780
Balance available for operations	<u>2,361,902</u>	<u>1,986,210</u>
Total	<u>\$ 3,369,225</u>	<u>\$ 2,830,380</u>

**Notes to the Financial Statements (continued)**

**NOTE 6 - NET ASSETS WITHOUT RESTRICTION (continued)**

The board of directors has designated part of the unrestricted net assets of the organization to be held in a reserve account for deferred maintenance contingencies and for debt reduction. In May 2007, the board of directors resolved to designate part of unrestricted net assets for an endowment fund created solely to support the charitable purposes of the Women’s Center, intended to assist with non-recurring expenditures not regularly budgeted. The board further designated that distributions shall be made in accordance with the Women’s Center Investment Policy established in April 2011, and amended July 2016, with distributions requiring approval of at least two-thirds of the board of directors.

**NOTE 7 - GOVERNMENT GRANTS**

Government grant income recognized for the current fiscal periods is as follows:

	<b>2019</b>	<b>2018</b>
City of Danbury	\$ 46,081	\$ 48,506
Area Towns	26,500	29,400
Department of Social Services	366,049	370,581
DMHAS	184,186	-
CT Alliance	386,410	359,537
C.C.A.D.V.	274,741	263,438
EFS National Program - FEMA	4,000	4,400
Total	<u>\$ 1,287,967</u>	<u>\$ 1,075,862</u>

On September 5, 2018, the Women’s Center received approval from the State of Connecticut Department of Mental Health and Addiction Services (“DMHAS”) for a \$991,056 contract to receive bond funds to perform upgrades and improvements to its facility at 2 West Street in Danbury. Improvements include HVAC upgrades, replacement windows, masonry repairs, roof replacement and other related improvements. The bond with DMHAS is subject to all relevant local, state and federal regulations related to contracts of this type including compliance with the State of Connecticut Single Audit Act.

**Notes to the Financial Statements (continued)**

**NOTE 8 - FUND RAISING ACTIVITIES**

During the 2019 fiscal year, the Women's Center conducted three major fund-raising events, a domestic violence safe walk, an annual gala, and a breakfast. The income and expenses are as follows:

	<b>Domestic Violence</b>	<b>Annual</b>	
	<b>Safe Walk</b>	<b>Gala</b>	<b>Breakfast</b>
Gross receipts	\$ 76,574	\$ 329,980	\$ 28,797
Direct expenses	5,239	54,337	2,455
Net income	<u>\$ 71,335</u>	<u>\$ 275,643</u>	<u>\$ 26,342</u>

The above amounts have been included in fundraising activities revenues and fundraising expenses in the Statement of Activities. The Women's Center also solicits contributions several times a year from a known donor list and other lists, in addition to several small non-recurring fundraising events.

During the 2018 fiscal year, the Women's Center conducted three major fund-raising events, a domestic violence safe walk, an annual gala, and a breakfast. The income and expenses are as follows:

	<b>Domestic Violence</b>	<b>Annual</b>	
	<b>Safe Walk</b>	<b>Gala</b>	<b>Breakfast</b>
Gross receipts	\$ 74,664	\$ 329,261	\$ 36,408
Direct expenses	7,869	44,016	2,446
Net income	<u>\$ 66,795</u>	<u>\$ 285,245</u>	<u>\$ 33,962</u>

The above amounts have been included in fundraising activities revenues and fundraising expenses in the Statement of Activities. The Women's Center also solicits contributions several times a year from a known donor list and other lists, in addition to several small non-recurring fundraising events.

**NOTE 9 - LEASES**

*Leasing Arrangement, as Lessee*

The Women's Center leases a copier for use in its West Street office under an operating lease. The lease has a term of 60 months commencing in February 2015. Minimum payments under the lease are \$528.82 per month.

*Leasing Arrangement, as Lessor*

The Women's Center rents part of its building on West Street to several tenants under operating leases. Rental income receivable under the leases through the remaining term of June 30, 2020 is \$47,280.



**Notes to the Financial Statements (continued)**

**NOTE 10 - RISKS AND UNCERTAINTIES**

The Women's Center has received grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under the terms of the grant. Based upon prior experience, management believes such disallowances, if any, will not be material.