Women's Center and Shelter of Greater Pittsburgh

Single Audit

June 30, 2017

MaherDuessel

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WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

YEARS ENDED JUNE 30, 2017 AND 2016

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Independent Auditor's Report

Board of Directors
Women's Center and
Shelter of Greater
Pittsburgh

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Women's Center and Shelter of Greater Pittsburgh (WC&S) and affiliate, which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, and audit guidelines issued by the Pennsylvania Coalition Against Domestic Violence (PCADV). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WC&S and affiliate as of June 30, 2017 and 2016, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2017, WC&S adopted Financial Accounting Standards Board (FASB) Accounting Standards Update No. 2015-03, *"Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs."* Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying PCADV Contract No. 5202 schedules and the schedule of expenditures of federal awards, as required by the PCADV and by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, respectively, are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2017 on our consideration of WC&S'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 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 WC&S's internal control over financial reporting and compliance.

Maher Duessel

Pittsburgh, Pennsylvania
October 18, 2017

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016

	2017	2016
Assets		
Cash and cash equivalents	$ 1,216,493	$ 976,509
Restricted cash and cash equivalents	5,693,541	918,765
Accounts receivable	556,899	174,359
Prepaid expenses	91,895	88,388
Contributions receivable	996,272	998,079
Investments in trust - fair value	7,897,358	7,663,161
Interest rate cap	138,595	-
New Market Tax Credit financing - note receivable	8,112,500	-
Construction in progress	7,848,018	1,257,551
Land, building, and equipment, net	2,367,749	2,282,719
Total Assets	$ 34,919,320	$ 14,359,531
Liabilities and Net Assets		
Liabilities:		
Accounts payable	$ 355,343	$ 82,716
Accrued expenses	1,374,978	194,292
Unearned revenue	-	47,028
Line of credit	-	200,000
New Market Tax Credit financing - notes payable	11,239,650	-
Notes payable	5,072,400	67,563
Total Liabilities	18,042,371	591,599
Net Assets:		
Unrestricted:		
Invested in land, building, and equipment	6,716,639	3,340,270
Board-designated for Reserve Fund	8,386,903	7,554,394
Undesignated - other	467,542	844,393
Total unrestricted	15,571,084	11,739,057
Temporarily restricted	1,171,865	1,894,875
Permanently restricted	134,000	134,000
Total Net Assets	16,876,949	13,767,932
Total Liabilities and Net Assets	$ 34,919,320	$ 14,359,531

See accompanying notes to consolidated financial statements.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Unrestricted Net Assets:		
Revenues, gains, and other support:		
Contributions:		
Individuals and others	$ 1,246,173	$ 1,383,444
Foundations and trusts	2,279,002	1,016,592
PCADV (DHS federal/state funds)	1,055,923	945,592
Governmental grants	1,243,954	1,063,274
United Way:		
Allocation	200,000	196,598
Contributor choice	186,233	147,427
Investment income (loss)	997,942	(45,419)
Special events - net	120,077	79,474
Fees for services	64,953	56,372
Other revenues	3,237	14,064
Net assets released from restrictions	1,261,509	172,426
Total revenues, gains, and other support	8,659,003	5,029,844
Expenses:		
Program services:		
Adult services	1,477,365	1,346,001
Empowerment center	141,896	115,426
Prevention and awareness	406,738	176,655
Children's program	291,918	347,294
Legal advocacy program	733,741	1,183,120
Civil Law Project	528,129	109,828
Batterers intervention	427,811	347,057
Medical advocacy program	81,254	95,312
Total program services	4,088,852	3,720,693
Management and general	295,396	291,621
Fundraising	357,323	368,173
Total expenses	4,741,571	4,380,487
Change in Unrestricted Net Assets before Nonoperating Items	3,917,432	649,357
Nonoperating items:		
Loss on fair market valuation - interest rate cap	(85,405)	-
Change in Unrestricted Net Assets	3,832,027	649,357
Temporarily Restricted Net Assets:		
Contributions:		
Foundations and trusts	538,499	1,892,545
Net assets released from restriction	(1,261,509)	(172,426)
Change in Temporarily Restricted Net Assets	(723,010)	1,720,119
Change in Net Assets	3,109,017	2,369,476
Net Assets:		
Beginning of year	13,767,932	11,398,456
End of year	$ 16,876,949	$ 13,767,932

See accompanying notes to consolidated financial statements.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017

	Program Services									Supporting Services			
	Adult Services	Empowerment Center	Prevention and Awareness	Children's Program	Legal Advocacy Program	Civil Law Project	Batterers Intervention	Medical Advocacy Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and related expenses:													
Salaries and wages	$ 750,338	$ 66,961	$ 117,245	$ 176,414	$ 369,499	$ 368,910	$ 253,758	$ 54,817	$ 2,157,942	$ 116,748	$ 132,184	$ 248,932	$ 2,406,874
Payroll taxes and benefits	228,709	20,402	33,514	55,957	131,752	112,151	82,543	11,923	676,951	31,825	39,978	71,803	748,754
Total salaries and related expenses	979,047	87,363	150,759	232,371	501,251	481,061	336,301	66,740	2,834,893	148,573	172,162	320,735	3,155,628
Specific assistance	98,434	23,882	-	2,382	131	-	-	217	125,046	-	55	55	125,101
Professional fees	105,242	9,016	5,298	10,538	46,651	-	19,353	1,058	197,156	88,407	92,056	180,463	377,619
Supplies	6,518	657	2,386	1,492	3,120	-	1,881	333	16,387	20,250	253	20,503	36,890
Donated items	78,845	-	-	3,444	-	-	-	-	82,289	-	-	-	82,289
Other non-personnel related expenses	16,884	1,577	170,080	3,245	17,011	-	4,756	903	214,456	12,852	44,244	57,096	271,552
Rent, parking, and other occupancy	26,885	3,771	7,023	6,349	69,609	-	17,955	2,969	134,561	410	340	750	135,311
Equipment rental/maintenance	10,889	1,033	2,960	2,124	6,540	-	3,113	591	27,250	1,640	-	1,640	28,890
Travel and meetings	2,511	28	543	-	2,996	-	527	100	6,705	1,643	1,280	2,923	9,628
Other expenses	149,488	14,317	66,967	29,455	84,968	47,009	43,166	8,199	443,569	21,422	39,114	60,536	504,105
Business expenses	2,622	252	722	518	1,464	59	759	144	6,540	199	7,819	8,018	14,558
Total	$ 1,477,365	$ 141,896	$ 406,738	$ 291,918	$ 733,741	$ 528,129	$ 427,811	$ 81,254	$ 4,088,852	$ 295,396	$ 357,323	$ 652,719	$ 4,741,571

See accompanying notes to consolidated financial statements.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

	Program Services									Supporting Services			
	Adult Services	Empowerment Center	Prevention and Awareness	Children's Program	Legal Advocacy Program	Civil Law Project	Batterers Intervention	Medical Advocacy Program	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and related expenses:													
Salaries and wages	$ 692,839	$ 60,177	$ 95,679	$ 187,886	$ 665,177	$ 80,167	$ 213,948	$ 57,279	$ 2,053,152	$ 114,004	$ 130,750	$ 244,754	$ 2,297,906
Payroll taxes and benefits	223,429	15,335	27,006	64,717	217,286	29,655	60,667	23,747	661,842	31,211	39,231	70,442	732,284
Total salaries and related expenses	916,268	75,512	122,685	252,603	882,463	109,822	274,615	81,026	2,714,994	145,215	169,981	315,196	3,030,190
Specific assistance	103,069	19,012	-	1,413	482	-	-	-	123,976	-	-	-	123,976
Professional fees	87,915	3,580	4,923	33,606	61,674	-	20,502	1,575	213,775	95,436	81,975	177,411	391,186
Supplies	8,187	3,305	947	7,159	6,661	-	1,853	521	28,633	19,243	258	19,501	48,134
Donated items	70,442	-	-	11,867	-	-	-	-	82,309	4,500	-	4,500	86,809
Other non-personnel related expenses	11,970	1,041	29,576	3,079	28,302	-	3,112	865	77,945	8,500	52,410	60,910	138,855
Rent, parking, and other occupancy	30,896	3,165	3,891	8,820	85,939	-	18,192	3,316	154,219	669	541	1,210	155,429
Equipment rental/maintenance	14,013	1,095	1,676	3,296	12,270	-	3,294	905	36,549	1,344	-	1,344	37,893
Travel and meetings	1,166	38	60	30	1,450	-	127	145	3,016	1,563	1,976	3,539	6,555
Other expenses	100,245	8,270	12,657	24,948	102,117	-	24,890	6,829	279,956	15,105	60,682	75,787	355,743
Business expenses	1,830	408	240	473	1,762	6	472	130	5,321	46	350	396	5,717
Total	$ 1,346,001	$ 115,426	$ 176,655	$ 347,294	$ 1,183,120	$ 109,828	$ 347,057	$ 95,312	$ 3,720,693	$ 291,621	$ 368,173	$ 659,794	$ 4,380,487

See accompanying notes to consolidated financial statements.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Cash Flows From Operating Activities:		
Change in net assets	$ 3,109,017	$ 2,369,476
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	216,680	184,739
Amortization	41,817	-
Net depreciation (appreciation) of investments	(780,751)	188,535
Loss on fair market valuation - interest rate cap	85,405	-
Debt accretion	4,837	4,696
Contributions restricted for long-term purposes	(736,527)	(1,749,519)
Change in:		
Accounts receivable	(382,540)	(45,339)
Prepaid expenses	(3,507)	(23,659)
Inventory	-	209
Contributions receivable	(15,586)	29,721
Accounts payable	272,627	62,562
Accrued expenses	1,180,686	4,474
Unearned revenue	(47,028)	47,028
Total adjustments	(163,887)	(1,296,553)
Net cash provided by (used in) operating activities	2,945,130	1,072,923
Cash Flows From Investing Activities:		
New Market Tax Credit financing note issuance	(8,112,500)	-
Purchase of fixed assets	(6,892,177)	(792,245)
Restricted cash and cash equivalents	(4,774,776)	(918,765)
Purchase of investments	(2,801,668)	(1,385,421)
Proceeds from sale of investments	3,348,222	1,298,035
Net cash provided by (used in) investing activities	(19,232,899)	(1,798,396)
Cash Flows From Financing Activities:		
Borrowings on New Market Tax Credit financing notes payable	12,100,000	-
Borrowings on notes payable	5,000,000	-
Payment on notes payable	-	(66,829)
Debt issuance costs	(1,126,167)	-
Line of credit draws	4,337,697	200,000
Line of credit repayments	(4,537,697)	(600,000)
Collection of contributions restricted for long-term purposes:		
Capital campaign	753,920	1,029,252
Net cash provided by (used in) financing activities:	16,527,753	562,423
Net Increase (Decrease) in Cash and Cash Equivalents	239,984	(163,050)
Cash and Cash Equivalents:		
Beginning of year	976,509	1,139,559
End of year	$ 1,216,493	$ 976,509
Supplemental Information:		
Interest paid	$ 140,498	$ 16,195
In-kind contributions	$ 198,721	$ 170,772

See accompanying notes to consolidated financial statements.

1. Organization

Women's Center and Shelter of Greater Pittsburgh's (WC&S) mission is to end intimate partner violence in the lives of women and their children by providing sanctuary from domestic violence for women and their children within a supportive community where confidentiality is guaranteed; inform women of the resources available to them; work with all appropriate organizations/agencies to create resources for women victims of domestic violence and their children; accompany women as they proceed through the legal system; work with children to help them learn alternative responses to violence; educate the public about the needs of women, particularly those of women who have experienced domestic violence; and work for system changes to alter societal attitudes, behaviors, and responses.

WC&S has been awarded the Pennsylvania Association of Nonprofit Organizations (PANO) Seal of Excellence for successfully demonstrating compliance with the Standards for Excellence voluntary certification program.

In 2008, the governing body of WC&S formed Women's Center and Shelter Civil Law Project (CLP), a non-profit company. The primary purpose of CLP is to provide civil legal services to women in crisis. The CLP Board of Directors is separate from the WC&S Board but is elected by WC&S. WC&S is the sole member of CLP. The financial activity for CLP is reported as part of these consolidated financial statements. All significant inter-organization balances and transactions have been eliminated.

During 2015, WC&S began a capital campaign to raise funds to renovate its facility and expand its capacity. See Note 7 for CLP's participation in related New Market Tax Credit Financing transactions. Also during 2015, a separate program was created for Batterers Intervention.

2. Summary of Significant Accounting Policies

Basis of Accounting

WC&S's consolidated financial statements have been prepared on the accrual basis of accounting. Revenues are recognized as they are earned and expenses are recorded when liabilities are incurred.

Revenue Recognition

Contributions are recognized when they are received or unconditionally pledged. WC&S records unconditional promises to give at their net realizable value.

WC&S receives the majority of its grant and contract revenue from federal, state, county, and city agencies. WC&S recognizes contract revenue (up to the contract amount) either on a pro rata basis over the period of the grant or to the extent of expenses. Revenue recognition depends on the contract. Unearned revenue consists of amounts received in advance of the related expenses being incurred. Any of its funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both as a result of non-compliance by WC&S with the terms of the grants or contracts. Management is unaware of any instances of non-compliance with grant or contract terms.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Net Asset Classes

WC&S's consolidated financial statements are classified for accounting and reporting purposes into three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) established according to their nature and purpose. Separate accounts are maintained for individual funds; however, for financial reporting purposes, funds that have similar characteristics have been combined into net asset classes.

The assets, liabilities, and net assets of WC&S are reported in net asset classes as follows:

Unrestricted - Used to accumulate all unrestricted and board-designated resources from operations. This class represents the part of net assets of a not-for-profit organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted - Represents a portion of the net assets of WC&S resulting (a) from contributions and other inflows of assets whose use by WC&S is limited by donor-imposed stipulations that can be fulfilled and removed by actions of WC&S pursuant to those stipulations and (b) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, and their fulfillment and removal by action of WC&S pursuant to those stipulations. When donor restrictions are met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same fiscal year are reported as unrestricted support.

Permanently Restricted - Represents net assets with a donor-imposed restriction that stipulates that resources be maintained permanently but permits WC&S to use up or expend part or all of the income derived from the donated assets.

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Investments

Investments are recorded at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in investment income. Investment income from restricted assets is recorded as unrestricted income.

Fixed Assets

Fixed assets are capitalized at cost over $500. Donated equipment is capitalized at fair value at the date of receipt. Depreciation is provided over the estimated useful life of the asset on a straight-line basis.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, WC&S considers all highly liquid investments available for current use (and not included in the investment trust account) with an initial maturity of three months or less to be cash equivalents.

Additionally, WC&S has New Market Tax Credit financing funds as of June 30, 2017, which are held and controlled by the bank and are restricted for use in the acquisition of property and for use towards future interest payments. The activity related to these restricted cash and cash equivalents is excluded from operating activities in the consolidated statements of cash flows.

Accounts Receivable

Accounts receivable, representing primarily amounts due from funding sources for eligible expenditures incurred prior to reimbursement, and are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. There were no allowances for doubtful accounts deemed necessary by management at June 30, 2017 and 2016.

Expense Allocation

The allocation of functional expenses approximates program usage. Salaries and occupancy space are the major bases for allocation.

Fair Value Measurement

WC&S follows the fair value accounting standards, in accordance with accounting principles generally accepted in the United States of America, which defines fair value, establishes a framework for measuring fair value, and enhances disclosures about fair value measurements for all financial assets and liabilities.

Tax-Exempt Status

WC&S is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, WC&S qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1). Further, WC&S annually files a Form 990. WC&S is duly registered as a Charitable Organization with the Department of State, Commonwealth of Pennsylvania.

CLP is tax-exempt under Section 501(c)(3) of the Code, and as a supporting organization within the meaning of Section 509(a)(3)(A) of the Code for the benefit of, to perform the functions of, or to carry out the purposes of and to be operated, supervised, or controlled by WC&S. Further, CLP annually files a Form 990 as applicable.

Accordingly, no provision for income taxes is recorded in the consolidated financial statements. WC&S nor CLP has not identified any material uncertain tax positions requiring an accrual or disclosure in the consolidated financial statements.

Concentration of Risk Factors

A significant portion of WC&S grants and contributions are from organizations and individuals within the Allegheny County area. In addition, its employees, volunteers, clients, and vendors primarily reside in the Allegheny County area and therefore, economic, and demographic influences on this area could impact WC&S operations.

Additionally, at June 30, 2017 and 2016, WC&S had $6,139,108 and $1,578,301, respectively, in deposits in local financial institutions in excess of the amount insured by the FDIC. The solvency of the financial institutions is not a concern of management at this time.

Concentration of credit risk for investments in marketable securities is mitigated by both the distribution of investment funds among asset managers and the overall diversification of managed investment portfolios. Investment securities are also exposed to various other risks such as interest rate and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near-term and that such change could materially affect the amount reported on the consolidated statements of financial position.

Adopted Pronouncement

The requirement of the following Financial Accounting Standards Board (FASB) statement was adopted for the consolidated financial statements:

ASU No. 2015-03, "*Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*," requires that debt issuance costs be presented on the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The provisions of this statement have been adopted and incorporated into these consolidated financial statements.

Pending Accounting Standards Update

FASB has issued statements that will become effective in future years as outlined below. Management has not yet determined the impact of these statements on WC&S's consolidated financial statements:

ASU No. 2014-09, *"Revenue from Contracts with Customers (Topic 606),"* effective for WC&S's consolidated financial statements for the year ending June 30, 2020. This standard provides a single, comprehensive revenue recognition model for all contracts with customers, and contains principles to determine the measurement of revenue and timing of when it is recognized. Early adoption will be permitted for annual reporting periods beginning after December 15, 2017 (WC&S's fiscal year ending June 30, 2019).

ASU-2016-02, *"Leases (Topic 842),"* effective for WC&S's consolidated financial statements for the year ending June 30, 2021. This standard will require lessees to recognize assets and liabilities on the consolidated statements of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

ASU No. 2016-14, *"Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities,"* effective for WC&S's consolidated financial statements for the year ending June 30, 2019. This standard aims to improve how a nonprofit organization classifies its net assets and provides information in its financial statements and notes about its financial performance, cash flow, and liquidity. The ASU changes the net asset classification, requires presentation of expenses both by nature and function, requires investment return reported net of investment expenses, requires placed-in-service approach for gifts of/for long-lived assets and provides enhanced disclosures for: governing body restrictions; composition of net assets with donor restrictions; qualitative and quantitative information on liquidity; methods to allocate costs among program and support functions; and underwater donor-restricted endowments.

ASU 2016-18, "*Statement of Cash Flows (Topic 230): Restricted Cash*," effective for financial statements for the year ending June 30, 2020. This amendment requires that the statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents.

Reclassification

Certain items for 2016 have been reclassified to conform to the 2017 presentation. The reclassification had no effect on the change in net assets.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the consolidated financial statements were available to be issued.

3. Contributions Receivable

At June 30, WC&S had contributions receivable as follows:

	2017	2016
Due within one year	$ 490,706	$ 503,287
Due within two to five years	505,566	494,792
Total	$ 996,272	$ 998,079

All contributions receivable are deemed fully collectible and, as such, no allowance has been recorded. The effect of a present valuation of the contributions receivable has been deemed by management as immaterial.

4. Reserve Fund

The objectives of WC&S' Reserve Fund, consisting primarily of investments in trust in the consolidated statements of financial positions, are to support ongoing operations, promote public and donor confidence in the long-term sustainability of WC&S, provide for nonrecurring expenses that will build long-term capacity, provide an internal source of funds for situations such as a sudden increase in expenses, one-time budgeted expenses, unanticipated loss in funding, or uninsured losses, and to maintain an internal line of credit to manage cash flow and maintain financial flexibility. To satisfy its long-term rate-of-return objectives, WC&S relies on a total rate-of-return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

WC&S invests reserve assets with an overall asset allocation of 60% equities and 40% bonds and cash with the ability of a 10% variance from these allocations due to market conditions. Endowment funds are invested in a manner that will protect the principal value relative to inflation, encourage capital appreciation, a safeguard against the loss of principal due to the assumption of undue risk.

WC&S's average spending policy is approximately 3.3% of the total market value derived from an expected asset allocation of 60% equities and 40% bonds with average long-term returns of 8% and 3%, respectively. Actual spending may vary according to the needs of WC&S. The reserve asset portfolio was comprised of the following at June 30, 2017 and 2016:

	2017	2016
Cash and cash equivalents:		
Money market	$ 538,211	$ 25,233
Investments:		
Money market funds	157,620	230,594
Bonds and notes	2,104,980	2,221,629
Equities	2,698,615	2,473,519
Mutual funds	2,417,383	2,224,851
Exchange traded funds and other	518,760	512,568
Total reserve asset portfolio	$ 8,435,569	$ 7,688,394

The reserve net asset classes are primarily unrestricted, Board-designated, and a portion related to permanently restricted net assets as described in the table below.

During fiscal 2017, WC&S had the following reserve and endowment related activities:

	Board-Designated Reserve	Permanently Restricted Endowment	Total Reserve and Endowment
Investment return:			
Investment income	$ 145,099	$ 2,342	$ 147,441
Net appreciation (depreciation)	768,348	12,403	780,751
Investment fees	(55,696)	(899)	(56,595)
Total investment return (loss)	857,751	13,846	871,597
Transfers to/from other funds	(25,242)	(13,846)	(39,088)
Total change in reserve and endowment funds	832,509	-	832,509
Reserve and endowment funds:			
Beginning of year	7,554,394	134,000	7,688,394
End of year	$ 8,386,903	$ 134,000	$ 8,520,903

During fiscal 2016, WC&S had the following reserve and endowment related activities:

	Board-Designated Reserve	Permanently Restricted Endowment	Total Reserve and Endowment
Investment return:			
Investment income	$ 140,622	$ 2,494	$ 143,116
Net appreciation (depreciation)	(185,249)	(3,286)	(188,535)
Investment fees	(54,410)	(965)	(55,375)
Total investment return (loss)	(99,037)	(1,757)	(100,794)
Transfers to/from other funds	(147,129)	1,757	(145,372)
Total change in reserve and endowment funds	(246,166)	-	(246,166)
Reserve and endowment funds:			
Beginning of year	7,800,560	134,000	7,934,560
End of year	$ 7,554,394	$ 134,000	$ 7,688,394

5. Investments

WC&S investments are managed by registered investment advisors. These investments are reported at fair value. As of June 30, 2017 and 2016, investments consist of the following:

	2017	2016
Money market accounts	$ 157,620	$ 230,594
Fixed income:		
Taxable	1,988,303	2,099,109
High yield	116,677	122,520
Equities:		
U.S. large cap	2,698,615	2,473,519
Mutual funds:		
U.S. mid cap	738,567	655,799
U.S. small cap	419,771	338,001
Developed international	752,084	790,580
Emerging markets	424,814	354,561
Real estate investment trust	82,147	85,910
Exchange traded funds and other	518,760	512,568
Total investments	$ 7,897,358	$ 7,663,161

Investment income (loss) for the years ended June 30, 2017 and 2016 is summarized as follows:

	2016	2016
Interest and dividend income	$ 147,441	$ 143,116
Net realized and unrealized gain (loss)	780,751	(188,535)
	$ 928,192	$ (45,419)

In accordance with accounting principles generally accepted in the United States of America, all investments of WC&S are measured using Level 1, Level 2, and Level 3 fair value inputs. Level 1 fair value is defined as inputs based upon "measuring the value at quoted prices available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market." Level 2 is defined as inputs based upon "measuring pricing units other than at quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed." Level 3 is defined as inputs based upon "significant unobservable inputs, as they trade infrequently or not at all."

The fair values of investments held by WC&S are determined using quoted prices in active markets for identical assets and, as such, are classified at June 30, 2017 and 2016 as Level 1 assets within the fair value hierarchy.

6. Fixed Assets

Fixed assets are comprised of the following amounts at June 30, 2017:

	Balance at June 30, 2016	Additions/ Reclass	Deletions/ Reclass	Balance at June 30, 2017
Construction in progress	$ 1,257,551	$ 6,590,467	$ -	$ 7,848,018
Land and improvements	$ 254,086	$ -	$ -	$ 254,086
Building	4,382,276	-	-	4,382,276
Office equipment	675,048	301,710	(286,089)	690,669
	5,311,410	301,710	(286,089)	5,327,031
Less: accumulated depreciation	(3,028,691)	(216,680)	286,089	(2,959,282)
Net land, building, and equipment	$ 2,282,719	$ 85,030	$ -	$ 2,367,749

Fixed assets are comprised of the following amounts at June 30, 2016:

	Balance at June 30, 2015	Additions/ Reclass	Deletions/ Reclass	Balance at June 30, 2016
Construction in progress	$ 632,236	$ 625,315	$ -	$ 1,257,551
Land and improvements	$ 254,086	$ -	$ -	$ 254,086
Building	4,382,276	-	-	4,382,276
Office equipment	559,146	166,930	(51,028)	675,048
	5,195,508	166,930	(51,028)	5,311,410
Less: accumulated depreciation	(2,894,980)	(184,739)	51,028	(3,028,691)
Net land, building, and equipment	$ 2,300,528	$ (17,809)	$ -	$ 2,282,719

7. New Market Tax Credit Financing – Note Receivable and Notes Payable

In March 2017, WC&S entered into a New Markets Tax Credit Financing Transaction through the New Market Tax Credit (NMTC) Program to fund construction costs for the renovation of the Shelter. The NMTC Program, enacted by Congress as part of the Community Renewal Tax Relief Act of 2000, is incorporated as section 45D of the Internal Revenue Code and permits taxpayers to claim federal tax credits for making Qualified Equity Investments (QEI) in a designated Community Development Entity (CDE). The CDE must use substantially all of the proceeds to make Qualified Low-Income Community Investments (QLICIs) to Qualified Active Low-Income Community Businesses (QALICB). The tax credits are claimed over a seven-year period and equate to 39% of the QLICIs.

WC&S has partnered with an investor, PNC New Markets Investment Partners, LLC, (the Investor) to utilize the NMTC Program. The Investor established a special purpose entity called the WCS Investment Fund, LLC (Investment Fund) to raise the capital for the transaction. The Investment Fund was funded with $4,378,500 of equity from the Investor and a $8,112,500 note from CLP, who is considered the Leverage Lender. CLP raised its funds through receipt of charitable contributions from WC&S and a credit agreement entered with Huntington National Bank for a $4,650,000 loan (see Note 8).

The $8,112,500 note between CLP and the Investment Fund has a fixed interest rate of 2.579353% with a term of 29 years. Payments on the note are expected to be from additional capital campaign contributions received from WC&S and interest-only payments from the Investment Fund through March 1, 2024. Interest earned on the note was $69,750 for the year ended June 30, 2017. At June 30, 2017, the balance of the note is $8,112,500.

This capital raised by the Investment Fund was used to make two QEIs of $7,500,000 and $5,000,000 into Pittsburgh Urban Initiatives Sub-CDE 20, LP, (PUI Sub-CDE) and Commonwealth Cornerstone Group Ltd. XXXIV, (CCG Sub-CDE). The Investment Fund, through an executed Operating Agreement, is the Limited Partner of each Sub- CDE and has 99.99% interest. The General Partners, with a .01% interest are Pittsburgh Urban Initiatives LLC (PUI-CDE) and Commonwealth Cornerstone Group (CCG-CDE). PUI Sub-CDE and CCG Sub-CDE then loaned these funds to WC&S in the form of four notes totaling $12,100,000.

The four notes payable were issued on March 1, 2017 and bear interest at 2.0065%. The notes require quarterly interest only payments through March 1, 2024, and then with principal and interest payments through March 1, 2052, and are guaranteed by substantially all of the assets of WC&S.

The four notes payable are reflected in the consolidated statement of financial position as follows for the year ended June 30, 2017:

PUI CDE QLICI Loan A	$ 4,867,500
PUI CDE QLICI Loan B	2,332,500
CCG CDE QLICI Loan A	3,245,000
CCG CDE QLICI Loan B	1,655,000
	$ 12,100,000

Interest expense on the notes was $80,929 for the year ended June 30, 2017.

Debt issuance costs of $902,167, included in New Market Tax Credit financing - notes payable, are being amortized by the straight-line method over the term of the notes payable. Accumulated amortization is $41,817 at June 30, 2017. The total amount of amortization expense for 2017 is $41,817.

The future estimated amortization expense for the debt issuance costs is as follows:

Year ending June 30,	Amortization Expense
2018	$ 128,881
2019	128,881
2020	128,881
2021	128,881
2022	128,881
Thereafter	215,945
	$ 860,350

The seven-year compliance period for the NMTCs will end March 1, 2024, at which time the Investor may exit the transaction through the exercise of a call/put agreement which it has entered into with the WC&S. Under the agreement, the Investor may "put" its interest in the Investment Fund to WC&S for a purchase price of $1,000. In the event that the Investor has not exercised this put option, WC&S has 180 days to exercise its call option to purchase the Investor's entire interest in the Investment Fund for a purchase price equal to the appraised value of the Investor's interest. To exercise the call option, the WC&S must be current on all payments under the three notes payable and must not owe any additional amounts to the Investment Fund or the Investor. WC&S will realize its savings from the NMTC transactions through the exercise of this put or call option, at which time it will control the Investment Fund. No amounts have been recorded in the accompanying consolidated financial statements related to these put and call options.

8. Notes Payable

Women's Center and Shelter

WC&S has a secured note payable to the Urban Redevelopment Authority of Pittsburgh (URA) in the original amount of $200,000 with interest at 4%. This was payable over a twenty-five-year period in monthly installments of $1,056 including principal and interest, with final maturity in fiscal year 2021. WC&S paid off this loan during 2016. WC&S also has a second note payable in the face amount of $200,000 due to the URA that bears no interest and is due in one lump sum in 2036.

The notes payable presentation on the consolidated statements of financial position approximates the present value of the URA note payable discounted at an appropriate interest rate:

Principal due in 2036	$	200,000
Less: future accretion on zero-interest note		(127,600)
Total	$	72,400

In June 2016, WC&S entered into a loan agreement with the Wilkinsburg Borough Industrial and Commercial Development Authority (Authority) and a regional bank (or financial institution). Through this agreement, the Authority issued a Revenue Note, Series 2016 in the amount of $9,000,000 to assist in the short-term financing of the facility renovation costs. As of June 30, 2016, $200,000 had been drawn from the note. During fiscal year 2017, $4,337,697 was drawn on the note and $4,537,697 repaid.

On March 1, 2017, this Revenue Note was amended and restated to a principal amount of $350,000, which is the balance outstanding as of June 30, 2017. The Revenue Note bears a rate equal to the Bank Qualified Tax-Exempt Rate (70% of the LIBOR rate (1.2239% at June 30, 2017) plus 2.75%).

The note matures on March 1, 2027 with future principal and interest payments as follows:

Year ending June 30,	Principal	Interest
2018	$ -	$ 10,222
2019	-	11,996
2020	-	12,326
2021	-	12,292
2022	-	12,292
2023-2027	350,000	58,917
	$ 350,000	$ 118,045

Women's Center and Shelter Civil Law Project

In March 2017 and in conjunction with the New Market Tax Credit financing transaction (see Note 7), CLP entered into a leverage loan agreement with a regional bank, Huntington National Bank, for $4,650,000. The note bears interest at the LIBOR rate plus 2.5%. Quarterly installments of interest are payable commencing June 15, 2017, with outstanding principal and interest payable in full on March 1, 2024. In addition to the interest payments, CLP will make quarterly principal payments in the amounts received from capital contributions received from WC&S. Under the credit agreement, CLP is subject to various covenants which, among other things, require maintaining a minimum liquidity threshold as defined by the credit agreement.

As of June 30, 2017, the full amount of the note is outstanding. The note is secured by the deposits of CLP's New Market Tax Credit financing note receivable, as well as all real and personal property of WC&S.

The note matures on March 1, 2024 with future principal and interest payments as follows:

Year ending June 30,	Principal	Interest
2018	$ 1,422,593	$ 150,523
2019	297,621	133,711
2020	179,036	123,589
2021	731,226	116,621
2022	123,998	85,252
2023-2024	1,895,526	130,170
	$ 4,650,000	$ 739,866

9. Interest Rate Cap

During 2017, CLP entered into a Rate Cap Transaction Agreement (Interest Rate Cap) with a regional bank, Huntington National Bank, with a notional amount of $4,650,000 for the purpose of limiting its interest expense on floating-rate liabilities under the loan agreement (see Note 8) without modifying the underlying principal amount. The interest rate cap was entered into on February 28, 2017 and is set to expire on March 1, 2024. Under terms of the agreement, CLP paid a fixed amount of $224,000 at inception to guarantee a maximum LIBOR rate of 2.0%. The fair value of the agreement at June 30, 2017 is $138,595. The change in the fair value of the interest rate cap is recorded per the consolidated statement of activities.

Interest rate caps are valued using pricing models (such as discounted cash flows) whose inputs are observable for substantially the full term of the asset or liability and are derived principally from or corroborated by observable market data, such as interest rate curves, and measures of interest rate volatility through correlation or other means for substantially the full term of the asset or liability. The interest rate cap is within Level 2 of the fair value hierarchy.

10. Line of Credit

On February 12, 2015, WC&S obtained a standby term note in the amount of $1,000,000. The standby term note bore interest at 1.25% above the LIBOR Advantage Rate throughout fiscal year 2016 until the note was paid off and closed in May 2016.

11. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30:

	2017	2016
Legal Advocacy Program	$ 5,783	$ 5,329
Children's Program	45,375	9,500
Shelter Program	85,128	27,657
Empowerment	7,500	-
Education Program	-	1,500
Development	20,000	20,000
Development - future operations	72,504	122,340
Building improvements	935,575	1,708,549
	$1,171,865	$1,894,875

Net assets of $1,261,509 and $172,426 were released from donor restrictions during the fiscal years ended June 30, 2017 and 2016, respectively, by incurring expenses satisfying the restricted purpose.

Income from permanently restricted net assets is designated for long-term investment and aid for women who have been subject to physical or psychological abuse.

12. Pension Plan

WC&S has a profit-sharing plan (plan) for eligible employees. This plan has a July 1 through June 30 plan year. For employees hired prior to April 1, 2012, WC&S contributes 10.34% of eligible participant salaries. For employees hired on or after April 1, 2012, WC&S contributes 5% of eligible participant salaries, and up to a 2% matching contribution. WC&S's aggregate plan contribution was $187,737 and $188,091 for the years ended June 30, 2017 and 2016, respectively.

13. Contributed Facilities, Material, and Services

WC&S receives and recognizes at fair value various in-kind contributions for food and clothing, household items, and various services. The contributed services include amounts for volunteers in legal services, therapy, the shelter, and others.

The above contributions can be summarized as follows for the years ended June 30:

	2017	2016
Contributed services	$ 114,424	$ 77,830
Food, clothing, and other	77,288	86,809
Special events services and materials	7,009	6,133
Total	$ 198,721	$ 170,772

14. Fundraising Events

WC&S schedules several events during the year for fundraising purposes. They are detailed as follows for the years ended June 30:

	2017	2016
Annual Event	$ 163,235	$ 129,199
Third Party Events	2,706	2,389
	165,941	131,588
Less cost of events	(45,864)	(52,114)
Total	$ 120,077	$ 79,474

15. Leases

During fiscal year 2015, WC&S entered into a non-cancelable operating lease for office space for its legal program offices through March 31, 2020. Prior to entering into this lease, WC&S was paying rent on a month-to-month basis.

The following is a schedule of future minimum lease payments under the lease:

Year ending June 30,		Amount
2018	$	54,000
2019		54,000
2020		40,500
Total	$	148,500

Total rent expense for the years ended June 30, 2017 and 2016 was $54,000.

16. Required Disclosures for the Year Ended June 30, 2017 - Pennsylvania Coalition Against Domestic Violence

Actual dollars spent under the WC&S domestic violence organization-wide budget were $3,872,837.

Match requirement monies were provided as required and were spent during the contract period July 1, 2016 through June 30, 2017.

WC&S expended $1,292,843 in Federal Financial Assistance for the fiscal year ended June 30, 2017 and was required to have a Single Audit performed. WC&S's cost allocation plan complied with the Uniform Guidance.

There was no interest income earned on grant funds.

17. Conditional Pledge

As of June 30, 2017, WC&S has one conditional pledge totaling $1,000,000. A conditional pledge is defined by WC&S as a donor-imposed stipulation that specifies a future and uncertain event whose occurrence or failure to occur gives the donor the right of return of the assets or releases the donor from the obligation to transfer assets in the future. Payment of the pledge is conditioned upon WC&S meeting certain terms and conditions of the grant agreement, specifically qualified capital expenditures. WC&S has met the terms and conditions of the grant agreement and is awaiting final approval.

18. Construction Commitment

At June 30, 2017, WC&S has construction commitments totaling approximately $2.5 million for building renovations.

19. Subsequent Event

Subsequent to year-end, WC&S entered into an affiliation agreement with another program, whereby the program will assign all of its assets and any designated liabilities to WC&S and thus become a program of WC&S. The value of the program's assets has not been determined at this time. The program's annual operating budget is approximately $200,000.

SUPPLEMENTARY INFORMATION

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2017

	Women's Center and Shelter	Civil Law Project	Subtotal	Eliminations	Total
Assets					
Cash and cash equivalents	$ 1,213,848	$ 2,645	$ 1,216,493	$ -	$ 1,216,493
Restricted cash	5,310,756	382,785	5,693,541	-	5,693,541
Accounts receivable	554,965	1,934	556,899	-	556,899
Prepaid expenses	91,895	-	91,895	-	91,895
Contributions receivable	996,272	-	996,272	-	996,272
Inter-organization receivable	4,046,543	-	4,046,543	(4,046,543)	-
Investments in trust - fair value	7,897,358	-	7,897,358	-	7,897,358
Interest rate cap	-	138,595	138,595	-	138,595
New Market Tax Credit financing - note receivable	-	8,112,500	8,112,500	-	8,112,500
Construction in progress	7,848,018	-	7,848,018	-	7,848,018
Land, building, and equipment, net	2,367,749	-	2,367,749	-	2,367,749
Total Assets	$ 30,327,404	$ 8,638,459	$ 38,965,863	$ (4,046,543)	$ 34,919,320
Liabilities and Net Assets					
Liabilities:					
Accounts payable	$ 355,343	$ -	$ 355,343	$ -	$ 355,343
Accrued expenses	1,374,978	-	1,374,978	-	1,374,978
Unearned revenue	-	-	-	-	-
Inter-organization payable	-	4,046,543	4,046,543	(4,046,543)	-
Line of credit	-	-	-	-	-
New Market Tax Credit financing - notes payable	11,239,650	-	11,239,650	-	11,239,650
Notes payable	422,400	4,650,000	5,072,400	-	5,072,400
Total Liabilities	13,392,371	8,696,543	22,088,914	(4,046,543)	18,042,371
Net Assets:					
Unrestricted:					
Invested in land, building, and equipment	6,779,302	(62,663)	6,716,639	-	6,716,639
Board-designated for Reserve Fund	8,386,903	-	8,386,903	-	8,386,903
Undesignated - other	462,963	4,579	467,542	-	467,542
Total unrestricted	15,629,168	(58,084)	15,571,084	-	15,571,084
Temporarily restricted	1,171,865	-	1,171,865	-	1,171,865
Permanently restricted	134,000	-	134,000	-	134,000
Total Net Assets	16,935,033	(58,084)	16,876,949	-	16,876,949
Total Liabilities and Net Assets	$ 30,327,404	$ 8,638,459	$ 38,965,863	$ (4,046,543)	$ 34,919,320

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

CONSOLIDATING STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2017

	Women's Center and Shelter	Civil Law Project	Subtotal	Eliminations	Total
Unrestricted Net Assets:					
Revenues, gains, and other support:					
Contributions:					
Individuals and others	$ 1,246,173	$ 431,120	$ 1,677,293	$ (431,120)	$ 1,246,173
Foundations and trusts	2,279,002	-	2,279,002	-	2,279,002
PCADV (DHS federal/state funds)	1,055,923	-	1,055,923	-	1,055,923
Governmental grants	1,193,954	50,000	1,243,954	-	1,243,954
United Way:					
Allocation	200,000	-	200,000	-	200,000
Contributor choice	186,233	-	186,233	-	186,233
Investment income (loss)	928,192	69,750	997,942	-	997,942
Special events - net	120,077	-	120,077	-	120,077
Fees for services	64,953	-	64,953	-	64,953
Other revenues	3,237	-	3,237	-	3,237
Net assets released from restrictions	1,261,509	-	1,261,509	-	1,261,509
Total revenues, gains, and other support	8,539,253	550,870	9,090,123	(431,120)	8,659,003
Expenses:					
Program services:					
Adult services	1,477,365	-	1,477,365	-	1,477,365
Empowerment center	141,896	-	141,896	-	141,896
Prevention and awareness	406,738	-	406,738	-	406,738
Children's program	291,918	-	291,918	-	291,918
Legal advocacy program	733,741	-	733,741	-	733,741
Civil law project	431,120	528,129	959,249	(431,120)	528,129
Batterers intervention	427,811	-	427,811	-	427,811
Medical advocacy program	81,254	-	81,254	-	81,254
Total program services	3,991,843	528,129	4,519,972	(431,120)	4,088,852
Management and general	295,396	-	295,396	-	295,396
Fundraising	357,323	-	357,323	-	357,323
Total expenses	4,644,562	528,129	5,172,691	(431,120)	4,741,571
Change in Unrestricted Net Assets before Nonoperating Items	3,894,691	22,741	3,917,432	-	3,917,432
Nonoperating items:					
Loss on fair market valuation - interest rate cap	-	(85,405)	(85,405)	-	(85,405)
Change in Unrestricted Net Assets	3,894,691	(62,664)	3,832,027	-	3,832,027
Temporarily Restricted Net Assets:					
Contributions:					
Foundations and trusts	538,499	-	538,499	-	538,499
Net assets released from restriction	(1,261,509)	-	(1,261,509)	-	(1,261,509)
Change in Temporarily Restricted Net Assets	(723,010)	-	(723,010)	-	(723,010)
Change in Net Assets	3,171,681	(62,664)	3,109,017	-	3,109,017
Net Assets:					
Beginning of year	13,763,352	4,580	13,767,932	-	13,767,932
End of year	$ 16,935,033	$ (58,084)	$ 16,876,949	$ -	$ 16,876,949

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

TITLE XX

PCADV CONTRACT NO. 5202

SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2017

	Approved Budget	Reported Costs	Allowable Costs per Audit: Total	Allowable Costs per Audit: Over (Under) Budget	Allowable Costs per Audit: Questioned Costs
Budget Categories:					
Personnel:					
Salaries	$ 33,040	$ 33,040	$ 33,040	$ -	$ -
Fringe benefits	11,642	11,642	11,642	-	-
Total personnel	$ 44,682	$ 44,682	$ 44,682	$ -	$ -

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

ACT 44 MEDICAL ADVOCACY
PCADV CONTRACT NO. 5202

SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2017

			Allowable Costs per Audit		
	Approved Budget	Reported Costs	Total	Over (Under) Budget	Questioned Costs
Budget Categories:					
Personnel:					
Salaries	$ 426,718	$ 426,718	$ 426,718	$ -	$ -
Fringe benefits	124,169	124,169	124,169	-	-
Total personnel	$ 550,887	$ 550,887	$ 550,887	$ -	$ -

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

FVPS

PCADV CONTRACT NO. 5202

SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2017

	Approved Budget	Reported Costs	Allowable Costs per Audit: Total	Allowable Costs per Audit: Over (Under) Budget	Allowable Costs per Audit: Questioned Costs
Budget Categories:					
Personnel:					
Salaries	$ 81,968	$ 81,968	$ 81,968	$ -	$ -
Fringe benefits	29,827	29,827	29,827	-	-
Total personnel	$ 111,795	$ 111,795	$ 111,795	$ -	$ -

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

ACT 222

PCADV CONTRACT NO. 5202

SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2017

			Allowable Costs per Audit		
	Approved Budget	Reported Costs	Total	Over (Under) Budget	Questioned Costs
Budget Categories:					
Personnel:					
Salaries	$ 31,186	$ 31,186	$ 31,186	$ -	$ -
Fringe benefits	9,881	9,881	9,881	-	-
Total personnel	$ 41,067	$ 41,067	$ 41,067	$ -	$ -

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

SSBG MEDICAL ADVOCACY

PCADV CONTRACT NO. 5202

SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2017

			Allowable Costs per Audit		
	Approved Budget	Reported Costs	Total	Over (Under) Budget	Questioned Costs
Budget Categories:					
Personnel:					
Salaries	$ 44,860	$ 44,860	$ 44,860	$ -	$ -
Fringe benefits	15,140	15,140	15,140	-	-
Total personnel	$ 60,000	$ 60,000	$ 60,000	$ -	$ -

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

SSBG CIVIL LEGAL REPRESENTATION
PCADV CONTRACT NO. 5202

SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2017

			Allowable Costs per Audit		
	Approved Budget	Reported Costs	Total	Over (Under) Budget	Questioned Costs
Budget Categories:					
Personnel:					
Salaries	$ 104,273	$ 104,273	$ 104,273	$ -	$ -
Fringe benefits	34,686	34,686	34,686	-	-
Total personnel	138,959	138,959	138,959	-	-
Operations:					
Rent	10,800	10,800	10,800	-	-
Travel	241	241	241	-	-
Total operations	11,041	11,041	11,041	-	-
Total	$ 150,000	$ 150,000	$ 150,000	$ -	$ -

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

SSBG RELOCATION FUNDS
PCADV CONTRACT NO. 5202

SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2017

			Allowable Costs per Audit		
	Approved Budget	Reported Costs	Total	Over (Under) Budget	Questioned Costs
Budget Categories:					
Relocation expenses	$ 50,677	$ 50,464	$ 50,464	$ 213	$ -

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

PCADV CONTRACT NO. 5202

COMBINED SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS WITH THE FUNDING RECONCILIATION

YEAR ENDED JUNE 30, 2017

			Allowable Costs per Audit		
	Approved Budget	Reported Costs	Total	Over (Under) Budget	Questioned Costs
Budget Categories:					
Title XX:					
Personnel	$ 44,682	$ 44,682	$ 44,682	$ -	$ -
Act 44 Medical Advocacy:					
Personnel	550,887	550,887	550,887	-	-
FVPS:					
Personnel	111,795	111,795	111,795	-	-
Act 222:					
Personnel	41,067	41,067	41,067	-	-
SSBG Medical Advocacy:					
Personnel	60,000	60,000	60,000	-	-
SSBG Civil Legal Representation:					
Personnel	138,959	138,959	138,959	-	-
Operations	11,041	11,041	11,041	-	-
SSBG Relocation Funds:					
Relocation expenses	50,677	50,464	50,464	213	-
Total	$ 1,009,108	$ 1,008,895	$ 1,008,895	$ 213	$ -

Funding Reconciliation:	
Approved contract, received as of June 30, 2017	$ 781,566
Approved contract, receivable as of June 30, 2017	227,329
Total Fiscal Year 2017 contract	1,008,895
* Approved Fiscal Year 2016 contract, extension approved to September 30, 2016	47,028
Total contract	1,055,923
Allowable costs:	
Approved costs	1,055,923
Questioned costs	-
Total costs	1,055,923
Due to (from) PCADV	$ -

* As a consequence of the 2015/2016 Commonwealth of Pennsylvania budget impasse, the Department of Human Services agreed to allow PCADV programs to carry over unspent monies from state fiscal year 2015/2016 to state fiscal year 2016/2017. The total as indicated above of $47,028 is reflective of said extension.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2017

Federal Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	Expenditures to Subrecipients
U.S. Department of Justice				
Legal Assistance for Victims	16.524	n/a	$ 32,567	$ -
Legal Assistance for Victims	16.524	n/a	52,926	-
Subtotal 16.524			85,493	-
Passed Through the Pennsylvania Commission on Crime and Delinquency:				
Crime Victim Assistance	16.575	2015/2016-VF-05 26663	476,496	-
Crime Victim Assistance	16.575	2016-VF-05-27031	99,777	-
Crime Victim Assistance	16.575	2016-VF-05-27016	17,291	-
Subtotal 16.575			593,564	-
Passed Through the Allegheny County Chief Executive Officer:				
Violence Against Women Formula Grants	16.588	2015-VA-07-26384	19,729	-
Total U.S. Department of Justice			698,786	-
U.S. Department of Health and Human Services				
Passed Through the Allegheny County Department of Human Services:				
Foster Care - Title IV-E	93.658	196155	38,209	-
Passed Through the PA Coalition Against Domestic Violence:				
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	5202	111,795	-
Social Services Block Grant - Title XX	93.667	5202	44,682	-
Social Services Block Grant	93.667	5202	262,376	-
Subtotal 93.667			307,058	-
Total U.S. Department of Health and Human Services			457,062	-
U.S. Department of Agriculture				
Passed Through Pennsylvania Department of Education:				
Child and Adult Care Food Program	10.558	300-02-982-0	12,742	-
Passed Through the Allegheny County Volunteer Board for Emergency Food and Shelter:				
Food Distribution Cluster:				
Emergency Food Assistance Program (Food Commodities)	10.569	CAPTRANS17	241	-
Emergency Food Assistance Program (Food Commodities)	10.569	PASSALL	146	-
Emergency Food Assistance Program (Food Commodities)	10.569	BUNCHFOUND	366	-
Subtotal 10.569			753	-
Total U.S. Department of Agriculture			13,495	-
U.S. Department of Housing and Urban Development				
Passed Through the City of Pittsburgh Department of City Planning:				
Emergency Solutions Grant Program	14.231	51843	60,000	-
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	51853	56,500	-
Total U.S. Department of Housing and Urban Development			116,500	-
Federal Emergency Management Agency				
Passed Through the United Way:				
Emergency Food and Shelter National Board Program	97.024	33-718000-037	7,000	-
Total Federal Emergency Management Agency			7,000	-
Total Expenditures of Federal Awards			$ 1,292,843	$ -

See accompanying notes to schedule of expenditures of federal awards.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2017

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Women's Center and Shelter of Greater Pittsburgh (WC&S) under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of WC&S, it is not intended to and does not present the financial position, change in financial position, or cash flows of the WC&S.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. WC&S's federal awards made subsequent to December 26, 2014 are recognized following the cost principles of the Uniform Guidance. WC&S has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Women's Center and Shelter of Greater Pittsburgh

Independent Auditor's Reports
Required by the Uniform Guidance

Year Ended June 30, 2017

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*

Board of Directors
Women's Center and Shelter of Greater Pittsburgh

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, and audit guidelines issued by the Pennsylvania Coalition Against Domestic Violence, the consolidated financial statements of the Women's Center and Shelter of Greater Pittsburgh (WC&S) and affiliate, which comprise the consolidated statement of financial position as of June 30, 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 18, 2017.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Maher Duessel

Pittsburgh, Pennsylvania
October 18, 2017

MaherDuessel

Independent Auditor's Report on Compliance for its Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors
Women's Center and Shelter of Greater Pittsburgh

Report on Compliance for its Major Federal Program

We have audited the Women's Center and Shelter of Greater Pittsburgh's (WC&S) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on WC&S's major federal program for the year ended June 30, 2017. WC&S's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for WC&S's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit guidelines issued by the Pennsylvania Coalition Against Domestic Violence; and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about WC&S's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for a major federal program. However, our audit does not provide a legal determination of WC&S's compliance.

Opinion on its Major Federal Program

In our opinion, WC&S complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of WC&S is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered WC&S's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of WC&S's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Maher Duessel

Pittsburgh, Pennsylvania
October 18, 2017

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2017

I. Summary of Audit Results

1. Type of auditor's report issued: Unmodified, prepared in accordance with Generally Accepted Accounting Principles.

2. Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no
Significant deficiencies identified that are not considered to be material weakness(es)?
☐ yes ☒ none reported

3. Noncompliance material to financial statements noted? ☐ yes ☒ no

4. Internal control over major programs:

Material weakness(es) identified? ☐ yes ☒ no
Significant deficiencies identified that are not considered to be material weakness(es)?
☐ yes ☒ none reported

5. Type of auditor's report issued on compliance for major programs: Unmodified

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? ☐ yes ☒ no

7. Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster
16.575	Crime Victim Assistance

8. Dollar threshold used to distinguish between type A and type B programs: $750,000

9. Auditee qualified as low-risk auditee? ☒ yes ☐ no

II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

No matters were reported.

III. Findings and questioned costs for federal awards.

No matters were reported.

WOMEN'S CENTER AND SHELTER OF GREATER PITTSBURGH

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2017

NONE