

**THE WOMEN'S LAW CENTER
OF MARYLAND, INC.**

AUDITED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

For the years ended June 30, 2015 and 2014

THE WOMEN'S LAW CENTER OF MARYLAND, INC.

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
The Women's Law Center of Maryland, Inc.
Towson, Maryland

We have audited the accompanying financial statements of The Women's Law Center of Maryland, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Women's Law Center of Maryland, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

UHY LLP

Columbia, Maryland
October 23, 2015

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 814,186	\$ 846,158
Grants receivable	288,594	277,293
Prepaid expenses	9,881	8,389
	<u>1,112,661</u>	<u>1,131,840</u>
PROPERTY AND EQUIPMENT, net	6,748	5,619
WEBSITE DEVELOPMENT, net	1,954	3,421
SECURITY DEPOSIT	1,157	1,157
	<u>\$ 1,122,520</u>	<u>\$ 1,142,037</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued payroll	\$ 41,042	\$ 43,182
Refundable advances	175,624	143,388
	<u>216,666</u>	<u>186,570</u>
NET ASSETS		
Unrestricted:		
Undesignated	706,488	747,965
Board designated	27,877	28,023
Total unrestricted net assets	<u>734,365</u>	<u>775,988</u>
Temporarily restricted	171,489	179,479
	<u>905,854</u>	<u>955,467</u>
Total net assets	<u>\$ 1,122,520</u>	<u>\$ 1,142,037</u>

See notes to financial statements.

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
STATEMENTS OF ACTIVITIES
For the years ended June 30, 2015 and 2014

	2015		
	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Government grants	\$ 373,537	\$ 269,529	\$ 643,066
Other grants	40,000	-	40,000
Contributions	179,260	-	179,260
Annual meeting	46,690	-	46,690
Donated food, services and facilities	69,061	-	69,061
Dues	9,290	-	9,290
Contract income	7,479	-	7,479
Interest income	1,504	-	1,504
Other income	2,649	-	2,649
Net assets released from restrictions	277,519	(277,519)	-
Total support and revenue	1,006,989	(7,990)	998,999
Expenses			
Program services	872,879	-	872,879
Management and general	101,438	-	101,438
Fundraising	74,295	-	74,295
Total expenses	1,048,612	-	1,048,612
Change in Net Assets	(41,623)	(7,990)	(49,613)
Net Assets, Beginning	775,988	179,479	955,467
Net Assets, Ending	\$ 734,365	\$ 171,489	\$ 905,854

See notes to financial statements.

2014		
Unrestricted	Temporarily Restricted	Total
\$ 343,973	\$ 279,102	\$ 623,075
51,692	-	51,692
193,279	-	193,279
33,950	-	33,950
74,198	-	74,198
9,935	-	9,935
5,775	-	5,775
469	-	469
2,637	-	2,637
355,836	(355,836)	-
<u>1,071,744</u>	<u>(76,734)</u>	<u>995,010</u>
886,385	-	886,385
121,850	-	121,850
84,943	-	84,943
<u>1,093,178</u>	<u>-</u>	<u>1,093,178</u>
<u>(21,434)</u>	<u>(76,734)</u>	<u>(98,168)</u>
<u>797,422</u>	<u>256,213</u>	<u>1,053,635</u>
<u>\$ 775,988</u>	<u>\$ 179,479</u>	<u>\$ 955,467</u>

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the years ended June 30, 2015 and 2014

	2015			
	Program Services	Management and General	Fundraising	Total
Salaries and payroll taxes	\$ 497,591	\$ 59,437	\$ 31,800	\$ 588,828
Employee benefits	50,027	8,255	5,409	63,691
Payroll service fees	-	2,666	-	2,666
Contractual labor	207,941	-	-	207,941
Office supplies, telephone and postage	25,699	3,731	2,223	31,653
Rent	55,931	7,301	2,303	65,535
Insurance	5,926	1,490	68	7,484
Professional fees	7,041	9,616	-	16,657
Copying and printing	1,974	47	1,532	3,553
Travel and lodging	8,412	77	244	8,733
Annual meeting food service	255	35	19,805	20,095
Recruitment	80	80	-	160
Professional development	772	265	-	1,037
Dues and subscriptions	2,705	6,920	3,020	12,645
Depreciation	3,020	485	225	3,730
Bank fees	-	651	3,872	4,523
Miscellaneous	5,505	382	3,794	9,681
	<u>\$ 872,879</u>	<u>\$ 101,438</u>	<u>\$ 74,295</u>	<u>\$ 1,048,612</u>

2014

Program Services	Management and General	Fundraising	Total
\$ 498,452	\$ 72,663	\$ 44,971	\$ 616,086
41,520	13,988	6,127	61,635
-	2,484	-	2,484
219,322	-	-	219,322
31,398	4,188	2,224	37,810
60,708	5,291	2,548	68,547
4,306	3,356	31	7,693
12,174	12,517	124	24,815
1,273	687	1,257	3,217
8,261	302	186	8,749
-	-	16,362	16,362
-	-	-	-
507	-	400	907
4,149	3,541	1,770	9,460
2,723	437	202	3,362
-	-	3,446	3,446
1,592	2,396	5,295	9,283
\$ 886,385	\$ 121,850	\$ 84,943	\$ 1,093,178

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (49,613)	\$ (98,168)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,730	3,362
Changes in:		
Grants receivable	(11,301)	103,217
Prepaid expenses	(1,492)	(394)
Accounts payable and accrued payroll	(2,140)	(11,395)
Refundable advance	<u>32,236</u>	<u>19,635</u>
Net cash provided (used) by operating activities	<u>(28,580)</u>	<u>16,257</u>
Cash Flows from Investing Activities		
Purchase of equipment	<u>(3,392)</u>	<u>(3,417)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(31,972)	12,840
Cash and Cash Equivalents, Beginning	<u>846,158</u>	<u>833,318</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 814,186</u></u>	<u><u>\$ 846,158</u></u>
Supplemental disclosure of cash flows information		
Cash paid during the year for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See notes to financial statements.

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 1 - PURPOSE OF ORGANIZATION

The Women's Law Center of Maryland, Inc., (the Center) is a nonprofit corporation organized on December 10, 1973, under the laws of the State of Maryland for the purpose of securing equal rights for women and providing research, education, and counseling in the areas of women's rights.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Under accounting principles generally accepted in the United States of America, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Restricted and Unrestricted Support and Revenue

Under accounting principles generally accepted in the United States of America, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or the nature of any donor restrictions.

Support and investment earnings that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions. There were no permanently restricted net assets at June 30, 2015 and 2014.

The State of Maryland enacted Uniform Prudent Management Institutional Funds Act (UPMIFA) on April 14, 2009, the provisions of which apply to endowment funds existing on or established after the date of enactment. The Center follows FASB Accounting Standards Codification (ASC) 958 relating to endowments. Management has determined that the Center's board-designated net assets meet the definition of endowment funds under UPMIFA and FASB ASC 958.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and investment instruments with original maturities of three months or less.

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable

Grants receivable are valued at management's estimate of the amount that will be ultimately collected. Management considers grants receivable to be fully collectible; accordingly, no allowance for doubtful grants has been provided. If amounts become uncollectible, they are charged to operations in the period in which that determination is made.

Use of Estimates

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Services and Facilities

In accordance with accounting principles generally accepted in the United States of America, contributions of donated services 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. A substantial number of unpaid volunteers have donated their time to operate the Center's Family Law Hotline and Employment Law Hotline. For the years ending June 30, 2015 and 2014, \$42,000 and \$49,900, respectively, have been recognized in the Statements of Activities. In addition, the Center receives donated office space for legal projects, as well as donated food and publicity for fundraising. The Center has reported the value of those donations as revenue and expense of \$27,061 and \$24,298 in the Statements of Activities for the years ended June 30, 2015 and 2014, respectively.

Refundable Advances

Refundable advances represent grant funds received prior to expenditure which must be returned to the grantor if the necessary expenses are not incurred.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassification

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Center is exempt from federal and state income taxes (except taxes on unrelated business income, if any) under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as *other than a private foundation*. No provision for income taxes is required as of June 30, 2015 and 2014, since the Center had no taxable income from unrelated business activities.

The income tax positions taken by the Center for any years open under the various statutes of limitations are that the Center continues to be exempt from income taxes and that they have properly reported unrelated business income that is subject to income taxes. The Center believes that there are no tax positions taken or expected to be taken that would significantly increase unrecognized tax liabilities within 12 months of the reporting date. None of the Center's federal or state income tax returns are currently under examination.

NOTE 3 - PROPERTY AND EQUIPMENT, WEBSITE DEVELOPMENT COSTS

Property and Equipment

The Center follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$500. The assets are depreciated using the straight-line method over the estimated useful lives.

Property and equipment at June 30 consisted of the following:

	<u>2015</u>	<u>2014</u>
Equipment	\$ 31,094	\$ 28,636
Furniture and fixtures	<u>13,612</u>	<u>13,612</u>
	44,706	42,248
Less accumulated depreciation	<u>37,958</u>	<u>36,629</u>
Property and equipment, net	<u>\$ 6,748</u>	<u>\$ 5,619</u>

Website Development Costs

Website development costs are being amortized over three years on a straight-line basis. Website development costs at June 30 consisted of the following:

	<u>2015</u>	<u>2014</u>
Website development	\$ 4,398	\$ 4,398
Less accumulated amortization	<u>2,444</u>	<u>977</u>
Website development, net	<u>\$ 1,954</u>	<u>\$ 3,421</u>

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 3 - PROPERTY AND EQUIPMENT, WEBSITE DEVELOPMENT COSTS (Continued)

Depreciation expense for property and equipment and amortization expense for website development for the years ended June 30, 2015 and 2014 was \$3,730 and \$3,362, respectively

NOTE 4 - OPERATING LEASE

The Center has an office lease which expires on July 31, 2019. The lease agreement calls for monthly rental payments with periodic increases.

Future minimum lease payments follow:

Year ending June 30:	
2016	\$ 34,398
2017	34,398
2018	35,344
2019	36,404
2020 and thereafter	<u>3,041</u>
	<u>\$ 143,585</u>

Rental expense for the years ended June 30, 2015 and 2014 was \$65,535 and \$68,546, respectively, which includes \$20,320 in donated office space for both years ended June 30, 2015 and 2014.

NOTE 5 - DESIGNATION AND RESTRICTIONS ON NET ASSETS

Funds Designated by Board

The Endowment Fund was established to generate revenue to support the mission of the organization and specific programs as determined by the Board. The fund meets the definition of an endowment fund under accounting principles generally accepted in the United States of America. Funds designated by the Board and the related earnings are to be held and invested until appropriated by the Board. The balance at June 30, 2015 and 2014 was \$27,877 and \$28,023 respectively. The fund is comprised of cash and related investment earnings.

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

	<u>2015</u>	<u>2014</u>
Restricted for time	\$ 169,779	\$ 166,979
POARP	210	12,500
MEDОВI	<u>1,500</u>	<u>-</u>
Total temporarily restricted net assets	<u>\$ 171,489</u>	<u>\$ 179,479</u>

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 6 - VARIANCE POWER

In 1999 the Center was named the beneficiary of a \$1,000,000 fund placed with the United Jewish Endowment Fund. The purpose of the donation was to fund the family law services provided by the Center. The Center receives monthly statements from the United Jewish Endowment containing the account balance and transaction summary, but the Center has no control or input over the investment of the funds paid into the Fund. All principal and income of the Fund will be distributed only to the Center at the discretion of the donor, who has variance power. In accordance with financial accounting standards, the Center does not recognize its potential for future distributions from the assets held by the Foundation. Distributions are recognized as revenue when received by the Center. Contributions from this fund were \$70,000 for each of the years ended June 30, 2015 and 2014 and are included in contributions revenue on the Statements of Activities.

NOTE 7 - CONCENTRATION OF CREDIT RISK

The Center maintains its operating cash balances with major financial institutions. At times, these balances may exceed federal insurance limits; however, the Center has not experienced any losses with respect to the balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of June 30, 2015 and 2014.

NOTE 8 - OTHER CONCENTRATIONS

The Center receives a substantial portion of its revenue from state and local governments. Grants from two government agencies approximated 77% and 78% of total grant revenue for 2015 and 2014, respectively.

NOTE 9 - PENSION PLAN

The Center offers a Simple IRA pension plan to all eligible employees. Employees who choose to participate may make contributions through pre-tax payroll withholdings. The Center determines annually the amount of matching contributions to be made. For the years ended June 30, 2015 and 2014 matching contributions were \$9,668 and \$11,862, respectively.

NOTE 10 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 23, 2015, which is the date the financial statements are available to be issued.

**REPORT OF INDEPENDENT AUDITORS
ON SUPPLEMENTARY INFORMATION**

Board of Directors
The Women's Law Center of Maryland, Inc.
Towson, Maryland

We have audited the financial statements of The Women's Law Center of Maryland, Inc. as of and for the years ended June 30, 2015 and 2014, and our report thereon dated October 23, 2015, which expressed an unmodified opinion on those financial statements appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Grant Awards and Expenses Relating to Maryland Legal Services Corporation Grant is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

UHY LLP

Columbia, Maryland
October 23, 2015

THE WOMEN'S LAW CENTER OF MARYLAND, INC.
SCHEDULE OF GRANT AWARDS AND EXPENSES RELATING TO
MARYLAND LEGAL SERVICES CORPORATION GRANT
For the years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Grants Awarded	\$ 291,102	\$ 261,862
Expenses		
Contract labor	106,353	85,405
Dues and subscriptions	398	218
Equipment rental	2,649	2,362
Insurance	2,831	2,502
Litigation	201	178
Office supplies	542	1,253
Postage and delivery	982	1,250
Printing and reproduction	1,062	793
Professional fees	2,000	2,000
Rent	6,600	6,600
Salary	89,390	85,914
Taxes - payroll	4,929	1,664
Telephone	13,223	13,950
Travel	960	997
	<u>232,120</u>	<u>205,086</u>
Net	\$ 58,982	\$ 56,776

October 23, 2015

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

Dear Board of Directors:

We have audited the financial statements of The Women's Law Center of Maryland, Inc. (the Center) for the year ended June 30, 2015, and have issued our report thereon dated October 23, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

The American Institute of Certified Public Accountants (AICPA) has established the requirement for independent auditors to communicate certain matters related to the conduct of each audit to those who have responsibility for oversight of management's financial reporting process.

Specific areas to be communicated are as follows:

- Our Responsibility under Auditing Standards Generally Accepted in the United States of America
- Planned Scope and Timing of Audit
- Other Information in Documents Containing Audited Financial Statements
- Significant Accounting Policies
- Accounting Estimates
- Corrected and Uncorrected Misstatements
- Management Representations
- Disagreements with Management
- Consultation with Other Independent Accountants
- Issues Discussed Prior to Retention of Independent Auditors
- Difficulties Encountered in Performing the Audit

Other comments regarding these matters, as they relate to the June 30, 2015 audit of the Center, are presented in the attachment to this letter. We will be pleased to review these items with you at your request. This report is intended solely for the information and use of the Audit Committee, Board of Directors, and management of the Center and is not intended to be and should not be used by anyone other than these specified parties.


UHY LLP

Attachment

The Women's Law Center of Maryland, Inc.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated July 7, 2015, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements are fairly presented, in all material aspects, in accordance with accounting principles generally accepted in the United States of America. Our responsibility is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatements. Our audit of the financial statements does not relieve management of your responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

As part of our audit, we considered the internal control of the Center. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Planned Scope and Timing of Audit

We performed the audit according to the planned scope and timing previously communicated to you in various meetings, emails and phone discussions. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas tested.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Our responsibility for other information not accompanying the financial statements but contained in annual reports that include your financial statements and our audit opinion does not extend beyond the financial statements identified in our opinion, and we are not required professionally to perform any procedures to corroborate other information contained in such documents.

No documents containing financial information were brought to our attention by management for the year ended June 30, 2015.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by the Center are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2015. We noted no transactions entered into by the Center during the year that

were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

For all significant estimates made by management, we have evaluated the reasonableness of the key factors and assumptions used to determine that the estimates are appropriate in relation to the financial statements of the Center taken as a whole.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. An audit adjustment may or may not indicate matters that could have a significant effect on the Center's financial reporting process (that is, cause future financial statements to be materially misstated). We proposed the following audit adjustment that could, in our judgment, have a significant effect on the Center's financial reporting process.

- To remove previously recognized grant revenue, \$12,500

Management Representation

We have requested certain representations from management that are included in the management representation letter dated October 23, 2015.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" in certain situations. If a consultation involves application of an accounting principle to the Center's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Center's auditors. However, these

discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.