

HAYS-CALDWELL WOMEN'S CENTER

**FINANCIAL STATEMENTS WITH COMPLIANCE
AND SINGLE AUDIT REPORTING**

September 30, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hays-Caldwell Women's Center
San Marcos, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Hays-Caldwell Women's Center (a non-profit organization), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities (with comparative totals for 2018), functional expenses (with comparative totals for 2018), 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Hays-Caldwell Women's Center as of September 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

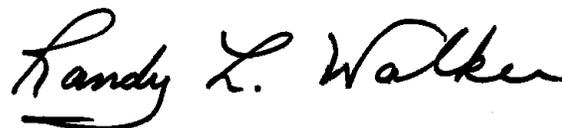
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal and state awards on pages 13-14, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2020 on pages 16-17 on our consideration of Hays-Caldwell Women's Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hays-Caldwell Women's Center's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Randy L. Walker". The signature is written in a cursive style with a large, sweeping initial "R".

San Antonio, Texas
March 16, 2020

FINANCIAL STATEMENTS

HAYS-CALDWELL WOMEN'S SHELTER
STATEMENTS OF FINANCIAL POSITION
September 30, 2019 and 2018

	2019	2018
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,594,498	\$ 1,556,903
Grants Receivable	851,954	648,364
Inventory	52,624	11,297
Prepaid Expenses	30,960	30,199
Total Current Assets	3,530,036	2,246,763
LONG-TERM ASSETS		
Property and Equipment, net	1,931,420	2,064,760
Total Long-Term Assets	1,931,420	2,064,760
TOTAL ASSETS	\$ 5,461,456	\$ 4,311,523

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accrued Expenses	\$ 85,745	\$ 76,344
Total Current Liabilities	85,745	76,344
TOTAL LIABILITIES	85,745	76,344
NET ASSETS		
Without Donor Restrictions:		
Available for Operations	570,843	543,599
Net Investment in Property and Equipment	1,930,420	2,064,760
Total Without Donor Restrictions	2,501,263	2,608,359
With Donor Restrictions:		
Time/Purpose Restricted	2,874,448	1,626,820
Total With Donor Restrictions	2,874,448	1,626,820
TOTAL NET ASSETS	5,375,711	4,235,179
TOTAL LIABILITIES AND NET ASSETS	\$ 5,461,456	\$ 4,311,523

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

HAYS-CALDWELL WOMEN'S CENTER
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2019
(with comparative totals for 2018)

	2019			2018 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<u>OPERATING SUPPORT AND REVENUE</u>				
Grants	\$ 7,545	\$ 2,460,349	\$ 2,467,894	\$ 2,908,345
Fundraising Events - net of direct expenses of \$25,781 and \$27,880, respectively	3,352	1,479,182	1,482,534	54,843
Contributions	391,441	-	391,441	361,424
Non-Cash Donations	203,350	-	203,350	143,168
Other Income	100,410	-	100,410	107,290
Net Assets Released from Restrictions	2,722,156	(2,722,156)	-	-
TOTAL OPERATING SUPPORT AND REVENUE	3,428,254	1,217,375	4,645,629	3,575,070
<u>OPERATING EXPENSES</u>				
Program	2,893,328	-	2,893,328	2,645,053
General and Administrative	469,589	-	469,589	428,980
Fundraising	172,433	-	172,433	156,977
TOTAL OPERATING EXPENSES	3,535,350	-	3,535,350	3,231,010
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	(107,096)	1,217,375	1,110,279	344,060
<u>NON-OPERATING ACTIVITY</u>				
Interest income	-	30,253	30,253	17,372
TOTAL NON-OPERATING ACTIVITY	-	30,253	30,253	17,372
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	(107,096)	1,247,628	1,140,532	361,432
NET ASSETS, Beginning of Year	2,608,359	1,626,820	4,235,179	3,873,747
NET ASSETS, End of Year	\$ 2,501,263	\$ 2,874,448	\$ 5,375,711	\$ 4,235,179

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

HAYS-CALDWELL WOMEN'S CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2019
(with comparative totals for 2018)

	2019			2018 Total
	Program	General and Administrative	Fundraising	
<u>OPERATING EXPENSES</u>				
Salaries and Benefits	\$ 1,803,338	\$ 341,732	\$ 109,102	\$ 2,254,172
Employee Benefits	167,038	31,653	10,106	191,864
Payroll Taxes	141,102	26,739	8,537	176,378
Total Payroll Expenses	2,111,478	400,124	127,745	2,639,347
In-Kind Disbursements	162,023	-	-	131,871
Contract Labor	158,311	-	-	60,570
Depreciation	106,465	19,962	6,654	136,801
Utilities	38,979	2,563	1,282	40,648
Insurance	35,716	4,202	2,101	18,723
Equipment	32,686	5,649	2,018	5,469
Maintenance and Repair	32,635	3,840	1,920	22,830
Supplies	31,083	982	654	23,147
Outreach	4,264	-	24,166	18,440
Staff Development	26,896	412	137	24,146
Building Expense	21,806	-	-	35,836
Professional Services	1,260	20,346	-	9,660
Travel	17,717	2,084	1,042	20,555
Rent	19,902	-	-	22,412
Membership Dues	16,818	1,979	989	10,253
Food	18,482	-	-	15,260
Printing and Reproduction	13,527	1,591	796	14,481
Technology	8,624	1,027	616	8,456
Miscellaneous	8,580	1,009	505	3,250
Town and Task Force Expenses	9,313	-	-	3,753
Telephone and Internet	7,364	866	433	7,289
Postage	3,870	455	228	2,456
Advertising	-	2,049	-	3,842
Meetings and Receptions	1,571	185	92	1,939
Direct Client Needs	1,477	-	-	130
Automobile Expense	1,374	-	-	856
Bank Charges	-	264	1,055	1,758
Training	1,107	-	-	1,015
TOTAL OPERATING EXPENSES	\$ 2,893,328	\$ 469,589	\$ 172,433	\$ 3,535,350

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

HAYS-CALDWELL WOMEN'S CENTER
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2019 and 2018

	2019	2018
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase in Net Assets	\$ 1,140,532	\$ 361,432
Adjustments to Reconcile Net Change to Net Cash		
Provided by Operations:		
Depreciation	133,081	136,801
Non-Cash Donations	(203,350)	(143,168)
In-Kind Disbursements	162,023	131,871
Forfeited Deposits	259	-
Increase in Assets:		
Accounts Receivable	(203,590)	(376,347)
Prepaid Expenses	(761)	(30,199)
Increase in Liabilities:		
Accrued Expenses	9,401	31,945
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,037,595	112,335
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of Property and Equipment	-	(72,605)
NET CASH USED BY INVESTING ACTIVITIES	-	(72,605)
NET INCREASE IN CASH FLOWS	1,037,595	39,730
CASH AND CASH EQUIVALENTS, Beginning of Year	1,556,903	1,517,173
CASH AND CASH EQUIVALENTS, End of Year	\$ 2,594,498	\$ 1,556,903

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

HAYS-CALDWELL WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The accompanying statements of Hays-Caldwell Women's Center (the Center) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Nature of Activities

Hays-Caldwell Women's Center (the Center) provides counseling and temporary housing for victims of family violence, as well as counseling and assistance to sexual assault victims. A Children's Advocacy Center added in 1997 enhanced its investigatory and rehabilitative services to abused children. The Center is supported primarily through government and private grants and contributions.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Presentation

The Center is required to report information regarding its financial position and activities according to two classes of net assets:

- *Net Assets Without Donor Restrictions* – Net assets available for use in the general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board of Directors are reported as net assets without donor restrictions, board-designated.
- *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions that are more restrictive than the Center's mission and purpose. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purposes for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Center considers money market funds with an original maturity of three months or less to be cash equivalents.

Revenue and Support

The Center receives substantial revenue from federal, state, city and county agencies. Noncompliance by the Center with the terms of the grants/contracts would require funding to be returned.

HAYS-CALDWELL WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Contributed Goods and Services

The value of contributed items meeting the requirements for recognition in the financial statements was recorded at fair market value. A substantial number of unpaid volunteers have made significant contributions of their time to the Center. The Center had 413 and 358 volunteers, totaling 8,694 and 10,866 hours, for the years ended September 30, 2019 and 2018, respectively. The value of this contributed time is not reflected in the financial statements since it is not susceptible to objective measurement or valuation.

Inventories

Inventories consist primarily of donated clothing and household items. Therefore, they are stated at fair value at date of donation. The value of inventories at September 30, 2019 and 2018 was \$52,624 and \$11,297, respectively.

Income Taxes

The Center is exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code, and as such qualifies for the maximum charitable contributions deduction by donors. As of September 30, 2019, the tax years that remain subject to examination by taxing authorities begin with 2016.

Property and Equipment

Property and equipment are stated at cost at date of acquisition or fair value at date of donation in the case of gifts. The Center capitalizes items with a cost of over \$1,000. Depreciation on the assets owned by the Center has been computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	39 years
Capital Improvements	15-20 years
Vehicles	7 years
Furniture and Equipment	5 -7 years

Contributions

Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

HAYS-CALDWELL WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

Grants Receivable

The Center considers its grants receivable to be fully collectible as they are primarily receivables from granting agencies; accordingly, no allowance for doubtful accounts is required.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the years ended September 30, 2019 and 2018 was \$2,049 and \$3,842, respectively.

Functional Allocation of Expenses

The costs of providing the services and other activities of the Center have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll expenses which are allocated on the basis of estimates of time and effort, as well as depreciation, insurance, utilities, staff development, and various other expenses which are allocated on the basis of estimated administrative use of the building's square footage or some other reasonable basis.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued a new accounting pronouncement regarding revenue recognition effective for reporting periods beginning after December 15, 2018. Management does not expect the new standard to have a significant impact on its financial position, results of operations and related disclosures.

In February 2016, the FASB issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2020. A lessee will be required to recognize on the statement of financial position the assets and liabilities for leases with lease terms of more than twelve months. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

Recently Adopted Accounting Pronouncements

In August 2016, the FASB issued Accounting Standard Update 2016-14, regarding the reporting and disclosure requirements for not-for-profit organizations, effective for periods beginning after December 15, 2017 with early adoption encouraged. The pronouncement replaces the three classes of net assets with two new classes, requires the reporting of expense by function and natural classification, enhances disclosures on liquidity and availability of resources, and includes several other less significant reporting enhancements. The Center early adopted this new pronouncement effective October 1, 2017.

HAYS-CALDWELL WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 2 - CONCENTRATION OF CREDIT RISK

The Center maintains cash accounts at two local financial institutions. Cash account balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. The Center has an agreement with one of its banking institutions where the bank provides pledged collateral in the Center's name in the event deposits exceed FDIC limits at that bank. Uninsured cash balances totaled \$114,781 and \$73,903, not including reconciling items, at September 30, 2019 and 2018, respectively.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment, less accumulated depreciation, were as follows at September 30:

	<u>2019</u>	<u>2018</u>
Buildings	\$ 3,528,659	\$ 3,528,918
Furniture and Fixtures	299,997	299,997
Leasehold Improvements	231,272	231,272
Vehicles	64,310	64,310
	<u>4,124,238</u>	<u>4,124,497</u>
Less Accumulated Depreciation	<u>(2,192,818)</u>	<u>(2,059,737)</u>
Property and Equipment, net	<u>\$ 1,931,420</u>	<u>\$ 2,064,760</u>

Depreciation expense for the years ended September 30, 2019 and 2018 was \$133,081 and \$136,801, respectively.

NOTE 4 - CONTRIBUTED GOODS

The Center received \$203,350 and \$143,168 in clothing, toiletries and household items from various donors during the years ended September 30, 2019 and 2018, respectively. The donated items are included in non-cash donations in the statement of activities. The Center disbursed \$162,023 and \$131,871 in donated items during the years ended September 30, 2019 and 2018, respectively. These in-kind disbursements are reflected in the statement of functional expenses.

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Time/Purpose restricted net assets were as follows at September 30:

	<u>2019</u>	<u>2018</u>
Building Hope Campaign	\$ 2,730,003	\$ 1,242,374
Next Year's Operations	90,257	322,804
Victims of Crime/Family Violence Programs	42,611	61,642
Emergency Food and Shelter Program	10,117	-
Roxanne's House	1,460	-
	<u>2,874,448</u>	<u>1,626,820</u>
Total	<u>\$ 2,874,448</u>	<u>\$ 1,626,820</u>

HAYS-CALDWELL WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 6 - CONCENTRATIONS OF REVENUE

Revenue from the Office of the Governor Criminal Justice Department grants totaled \$1,595,207 and \$1,386,358 for the years ended September 30, 2019 and 2018, which represents 35% and 38%, respectively, of total revenue.

NOTE 7 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Center adopted the provisions of ASC 820, *Fair Value Measurements and Disclosures* (formerly SFAS 157). ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market, and establishes a framework for measuring fair value in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The adoption of ASC 820 did not affect the Center's financial position or results of operations. The valuation techniques required by ASC 820 are based upon observable and unobservable inputs, and ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority.
- Level 2 valuations are based on quoted prices in markets that are not active.
- Level 3 valuations are based on inputs that are unobservable and supported by little or no market activity.

The Center's current assets and liabilities as presented in the statements of financial position are Level 1. The Center has no Level 2 or Level 3 assets or liabilities. The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.

NOTE 8 - LEASES

The Center leases facilities and office equipment. Total monthly costs under these agreements were \$1,179 and \$1,358 for the years ended September 30, 2019 and 2018, respectively. The Lockhart facility lease commenced on September 1, 2016 and is month-to-month. The office equipment lease commenced on July 31, 2015 and is month-to-month. Lease expense for the years ended September 30, 2019 and 2018 was \$19,751 and \$18,556, respectively.

The Center leases from the City of San Marcos several acres of land on which the Center is located. The lease commenced in March 1983 and was renewed for another thirty years in February 2014. The base amount is \$1 per year, and future remaining lease payments total \$25.

NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The following reflects the Center's financial assets as of the financial position date, reduced by amounts not available for general use because of donor-stipulated restrictions.

HAYS-CALDWELL WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS
September 30, 2019 and 2018

NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (continued)

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 2,594,498	\$ 1,556,903
Grants Receivable	851,954	648,364
Total Financial Assets	<u>3,446,452</u>	<u>2,205,267</u>
Donor Restrictions	<u>(2,874,448)</u>	<u>(1,626,820)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 572,004</u>	<u>\$ 578,447</u>

The Center's primary sources of cash flows during the year are related to contributions and grant awards from various individuals, foundations and agencies. These revenue sources provide a consistent inflow of cash throughout the year.

NOTE 10 - SUBSEQUENT EVENTS

The Center has evaluated subsequent events through March 16, 2020, which is the date the financial statements were available to be issued.

FINANCIAL AWARDS SECTION

HAYS-CALDWELL WOMEN'S CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
September 30, 2019

FEDERAL AWARDS

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Disbursements/ Expenditures
U.S. Department of Justice			
Passed Through Office of the Governor and Children's Advocacy Centers of Texas:			
Crime Victim Assistance	16.575	2761704	\$ 345,427
Crime Victim Assistance	16.575	3917601	8,186
Passed Through Texas Council on Family Violence:			
Crime Victim Assistance	16.575	2016-VA-GX-0033	5,000
Passed Through Office of the Governor:			
Crime Victim Assistance	16.575	1366418	<u>1,236,594</u>
Total U.S. Department of Justice			<u>1,595,207</u>
U.S. Department of Health and Human Services			
Passed Through Stop Abuse For Everyone (SAFE) Alliance			
Family Violence Prevention and Services/Discretionary	93.592	90EV0453	<u>46,420</u>
			<u>46,420</u>
Passed Through Texas Health and Human Services Commission:			
Social Services Block Grant	93.667	529-15-0032-0025	13,605
Social Services Block Grant	93.667	HHS000380000066	<u>1,101</u>
			<u>14,706</u>
Temporary Assistance for Needy Families	93.558	529-15-0032-0025	133,547
Temporary Assistance for Needy Families	93.558	HHS000380000066	<u>10,388</u>
			<u>143,935</u>
Family Violence Prevention and Services	93.671	529-15-0032-0025	60,540
Family Violence Prevention and Services	93.671	HHS000380000066	5,377
Family Violence Prevention and Services	93.671	529-15-0006-00012C	<u>31,040</u>
			<u>96,957</u>
Passed Through Office of the Attorney General:			
Preventive Health and Health Services Block Grant	93.991	1883966	30,702
Preventive Health and Health Services Block Grant	93.991	1992668	18,700
Preventive Health and Health Services Block Grant	93.991	1993419	<u>36,901</u>
			<u>86,303</u>
Total U.S. Department of Health and Human Services			<u>388,321</u>
U.S. Department of Homeland Security			
Passed Through Saint Stephen First United Methodist Church:			
Emergency Food and Shelter National Board Program	97.024	812200-008	<u>7,748</u>
Total U.S. Department of Homeland Security			<u>7,748</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>1,991,276</u>

See accompanying notes to schedule of expenditures of federal and state awards.

HAYS-CALDWELL WOMEN'S CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

September 30, 2019

(continued)

STATE AWARDS

State Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Disbursements/ Expenditures
Department of Health and Human Services			
Family Violence Prevention and Services Act (FVPSA)	N/A	529-15-00025D	105,472
Family Violence Prevention and Services Act (FVPSA)	N/A	HHS000380000066	10,392
			<u>115,864</u>
Passed Through Children's Advocacy Centers of Texas:			
Child Abuse Program	N/A	HHSC-FY19-26	124,826
Child Abuse Program	N/A	HHSC-FY20-26	15,885
			<u>140,711</u>
Office of the Attorney General			
Sexual Assault Prevention and Crisis Services	N/A	1988872	104,898
Sexual Assault Prevention and Crisis Services	N/A	2099307	9,528
			<u>114,426</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>371,001</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			<u>\$ 2,362,277</u>

See accompanying notes to schedule of expenditures of federal and state awards.

HAYS-CALDWELL WOMEN'S CENTER
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended September 30, 2019

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state grant activity of Hays-Caldwell Women's Center (the Center) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Center.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Expenditures reflected on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, Cost Principles for Non-Profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - NON-CASH EXPENDITURES

There were no federal awards expended in the form of non-cash expenditures for the year ended September 30, 2019.

NOTE 4 - OTHER DISCLOSURES

Insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds is covered by the Center's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

The Center has elected not to use the 10 percent *de minimis* indirect cost rate.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Hays-Caldwell Women's Center
San Marcos, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Hays-Caldwell Women's Center (a non-profit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 16, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hays-Caldwell Women's Center'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hays-Caldwell Women's Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Hays-Caldwell Women's Center'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.

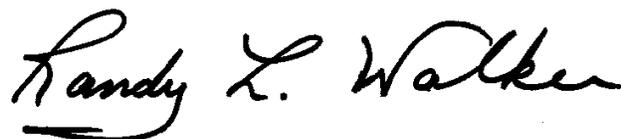
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Hays-Caldwell Women's Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Randy L. Walker". The signature is written in a cursive style with a large, sweeping underline under the first name.

San Antonio, Texas
March 16, 2020

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

To the Board of Directors
Hays-Caldwell Women's Center
San Marcos, Texas

Report on Compliance for Each Major Federal Program

We have audited Hays-Caldwell Women's Center's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hays-Caldwell Women's Center's major federal programs for the year ended September 30, 2019. Hays-Caldwell Women's Center's major federal programs are 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Hays-Caldwell Women's Center's major federal programs 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Hays-Caldwell Women's Center'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 each major federal program. However, our audit does not provide a legal determination of Hays-Caldwell Women's Center's compliance.

Opinion on Each Major Federal Program

In our opinion, Hays-Caldwell Women's Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

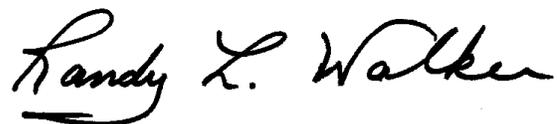
Report on Internal Control Over Compliance

Management of Hays-Caldwell Women's Center 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 Hays-Caldwell Women's Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 Hays-Caldwell Women's Center'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 or significant deficiencies. However, material weaknesses or significant deficiencies 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.



San Antonio, Texas
March 16, 2020

**HAYS-CALDWELL WOMEN'S CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2019**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified	None
Significant deficiencies identified that are not considered to be material weakness(es)	None
Noncompliance material to the financial statements	None

Federal Awards

Internal control over major programs:	
Material weakness(es) identified	None
Significant deficiencies identified that are not considered to be material weakness(es)	None
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	None

Major Programs

Federal

16.575 Crime Victim Assistance	
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Audit qualified as low-risk auditee	Yes

Findings - Financial Statements Audit None

Findings and Questioned Costs - Major Federal Award Programs Audit None

HAYS-CALDWELL WOMEN'S CENTER
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2019

I. PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

None

II. PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT

None