

HAYS-CALDWELL WOMEN'S CENTER

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

September 30, 2020 and 2019

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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, 2020 and 2019, and the related statements of activities (with comparative totals for 2019), functional expenses (with comparative totals for 2019), 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, 2020 and 2019, 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 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2021 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.

Randy Walker & Co.

San Antonio, Texas
March 9, 2021

FINANCIAL STATEMENTS

HAYS-CALDWELL WOMEN'S CENTER
STATEMENTS OF FINANCIAL POSITION
September 30, 2020 and 2019

	2020	2019
		(Restated)
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,123,274	\$ 2,594,498
Grants Receivable	1,469,679	951,954
Inventory	33,584	52,624
Prepaid Expenses	32,842	30,960
Total Current Assets	4,659,379	3,630,036
LONG-TERM ASSETS		
Property and Equipment, net	2,757,528	1,931,420
Total Long-Term Assets	2,757,528	1,931,420
TOTAL ASSETS	\$ 7,416,907	\$ 5,561,456
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 217,631	\$ 1,626
Accrued Expenses	83,358	84,119
Retainage Payable	40,948	-
PPP Loan Payable - current	60,044	-
Total Current Liabilities	401,981	85,745
LONG-TERM LIABILITIES		
PPP Loan Payable - long-term	94,356	-
Total Long-Term Liabilities	94,356	-
TOTAL LIABILITIES	496,337	85,745
NET ASSETS		
Without Donor Restrictions:		
Available for Operations	602,834	570,843
Net Investment in Property and Equipment	2,757,528	1,930,420
Total Without Donor Restrictions	3,360,362	2,501,263
With Donor Restrictions:		
Time/Purpose Restricted	3,560,208	2,974,448
Total With Donor Restrictions	3,560,208	2,974,448
TOTAL NET ASSETS	6,920,570	5,475,711
TOTAL LIABILITIES AND NET ASSETS	\$ 7,416,907	\$ 5,561,456

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, 2020
(with comparative totals for 2019)

	2020			2019 Total (Restated)
	Without Donor Restrictions	With Donor Restrictions	Total	
OPERATING SUPPORT AND REVENUE				
Grants	\$ 39,415	\$ 3,056,438	\$ 3,095,853	\$ 2,530,894
Fundraising Events - net of direct expenses of \$20,615 and \$25,781, respectively	12,579	1,459,539	1,472,118	1,582,534
Contributions	328,953	-	328,953	391,441
Non-Cash Donations: Food, Clothing, Household	161,231	-	161,231	203,350
Contributed Services	57,025	-	57,025	-
Other Income	44,825	-	44,825	37,410
Non-Cash Donations: Leasehold Improvements	39,317	-	39,317	-
Net Assets Released from Restrictions	3,960,850	(3,960,850)	-	-
TOTAL OPERATING SUPPORT AND REVENUE	<u>4,644,195</u>	<u>555,127</u>	<u>5,199,322</u>	<u>4,745,629</u>
OPERATING EXPENSES				
Program	2,958,290	-	2,958,290	2,893,328
General and Administrative	573,275	-	573,275	469,589
Fundraising	253,531	-	253,531	172,433
TOTAL OPERATING EXPENSES	<u>3,785,096</u>	<u>-</u>	<u>3,785,096</u>	<u>3,535,350</u>
CHANGE IN NET ASSETS BEFORE NON-OPERATING ACTIVITY	<u>859,099</u>	<u>555,127</u>	<u>1,414,226</u>	<u>1,210,279</u>
NON-OPERATING ACTIVITY				
Interest Income	-	30,633	30,633	30,253
TOTAL NON-OPERATING ACTIVITY	<u>-</u>	<u>30,633</u>	<u>30,633</u>	<u>30,253</u>
CHANGE IN NET ASSETS AFTER NON-OPERATING ACTIVITY	<u>859,099</u>	<u>585,760</u>	<u>1,444,859</u>	<u>1,240,532</u>
NET ASSETS, Beginning of Year (Restated)	<u>2,501,263</u>	<u>2,974,448</u>	<u>5,475,711</u>	<u>4,235,179</u>
NET ASSETS, End of Year	<u>\$ 3,360,362</u>	<u>\$ 3,560,208</u>	<u>\$ 6,920,570</u>	<u>\$ 5,475,711</u>

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, 2020
(with comparative totals for 2019)

	2020			2019 Total
	Program	General and Administrative	Fundraising	
OPERATING EXPENSES				
Salaries and Wages	\$ 1,897,898	\$ 425,845	\$ 188,829	\$ 2,512,572
Employee Benefits	179,159	41,337	19,171	239,667
Payroll Taxes	150,419	31,588	13,746	195,753
Total Payroll Expenses	<u>2,227,476</u>	<u>498,770</u>	<u>221,746</u>	<u>2,947,992</u>
In-Kind Disbursements: Food, Clothing, Household	180,271	-	-	180,271
Depreciation	102,847	25,712	-	128,559
Professional Services	58,249	19,683	-	77,932
Contract Labor	51,235	3,400	1,133	55,768
Direct Client Needs	51,187	-	-	51,187
Supplies	44,442	1,447	560	46,449
Insurance	36,447	6,797	2,569	45,813
Utilities	40,544	1,941	699	43,184
Equipment	32,816	656	-	33,472
Maintenance and Repair	21,796	2,414	1,333	25,543
Staff Development	22,625	958	313	23,896
Outreach	-	-	21,603	21,603
Travel	14,017	2,200	925	17,142
Membership Dues	12,704	-	-	12,704
Food	12,106	20	150	12,276
Rent	12,000	-	-	12,000
Printing and Reproduction	10,750	566	222	11,538
Technology	4,336	4,343	377	9,056
Telephone and Internet	5,166	1,349	463	6,978
Miscellaneous	4,145	447	148	4,740
Bank Charges	1,712	1,730	718	4,160
Advertising	3,491	-	281	3,772
Postage	2,091	505	172	2,768
Town and Task Force Expenses	2,652	-	-	2,652
Meetings and Receptions	1,072	337	119	1,528
Automobile Expense	1,332	-	-	1,332
Training	781	-	-	781
Building Expense	-	-	-	-
TOTAL OPERATING EXPENSES	<u>\$ 2,958,290</u>	<u>\$ 573,275</u>	<u>\$ 253,531</u>	<u>\$ 3,785,096</u>
				<u>\$ 3,535,350</u>

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, 2020 and 2019

	2020	2019
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 1,444,859	\$ 1,240,532
Adjustments to Reconcile Net Change to Net Cash		
Provided by Operations:		
Depreciation	128,559	133,081
Non-Cash Inventory Donations (Net of Non-Cash Inventory Disbursements)	19,040	(41,327)
Donated Leasehold Improvements	(39,317)	-
Forfeited Deposits	-	259
Increase in Assets:		
Grants Receivable	(517,725)	(303,590)
Prepaid Expenses	(1,882)	(761)
Increase (Decrease) in Liabilities:		
Accounts Payable	216,005	1,235
Accrued Expenses	(761)	8,166
Retainage Payable	40,948	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,289,726	1,037,595
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(915,350)	-
NET CASH USED BY INVESTING ACTIVITIES	(915,350)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on PPP Loan	154,400	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	154,400	-
NET INCREASE IN CASH FLOWS	528,776	1,037,595
CASH AND CASH EQUIVALENTS, Beginning of Year	2,594,498	1,556,903
CASH AND CASH EQUIVALENTS, End of Year	\$ 3,123,274	\$ 2,594,498

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

HAYS-CALDWELL WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS
September 30, 2020 and 2019

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), a 501(c)(3) non-profit organization, 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.

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, 2020, the tax years that remain subject to examination by taxing authorities begin with 2017.

HAYS-CALDWELL WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS
September 30, 2020 and 2019

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 417 and 413 volunteers, totaling 6,737 and 8,694 hours, for the years ended September 30, 2020 and 2019, respectively. The value of this contributed time is not reflected in the financial statements since it is not susceptible to objective measurement or valuation.

Inventory

Inventory consists primarily of donated food, clothing and household items. Therefore, it is stated at fair value at date of donation. The value of inventory at September 30, 2020 and 2019 was \$33,584 and \$52,624, respectively.

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.

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, 2020 and 2019 was \$3,772 and \$2,049, respectively.

HAYS-CALDWELL WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (continued)

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, supplies, insurance, utilities 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, 2019. Management is currently evaluating the effect this new standard will have 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, 2021. 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 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, effective for periods beginning after December 15, 2018. This pronouncement clarifies and improves the scope and the accounting guidance for contributions received and contributions made in order to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of *Topic 958, Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Center adopted this new pronouncement effective October 1, 2019. The change was applied retrospectively, but there is no cumulative effect on beginning net assets as of this date.

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 (FDIC) 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 \$251,678 and \$114,781, not including reconciling items, at September 30, 2020 and 2019, respectively.

NOTE 3 - CONTRIBUTED GOODS

The Center received \$161,231 and \$203,350 in clothing, toiletries and household items from various donors during the years ended September 30, 2020 and 2019, respectively. The donated items are included in non-cash donations in the statement of activities. The Center disbursed \$180,271 and \$162,023 in donated items during the years ended September 30, 2020 and 2019, respectively. These in-kind disbursements are reflected in the statement of functional expenses.

HAYS-CALDWELL WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 4 - PROPERTY AND EQUIPMENT

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

	2020	2019
Buildings	\$ 3,528,659	\$ 3,528,659
Construction in Progress	851,661	-
Furniture and Fixtures	363,134	299,997
Leasehold Improvements	271,141	231,272
Vehicles	64,310	64,310
	5,078,905	4,124,238
Less Accumulated Depreciation	(2,321,377)	(2,192,818)
Property and Equipment, net	\$ 2,757,528	\$ 1,931,420

Depreciation expense for the years ended September 30, 2020 and 2019 was \$128,559 and \$133,081, respectively. Furthermore, a retainage payable of \$40,948 and \$-0- related to construction of the transitional housing complex was recorded as of September 30, 2020 and 2019, respectively.

NOTE 5 - LEASES

The Center leases facilities and office equipment. Total monthly costs under these agreements were \$1,179 for the years ended September 30, 2020 and 2019. 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, 2020 and 2019 was \$19,078 and \$19,748, 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 \$24.

NOTE 6 - CONCENTRATIONS OF REVENUE

Revenue from the Office of the Governor Criminal Justice Department grants totaled \$1,537,383 and \$1,595,207 for the years ended September 30, 2020 and 2019, which represents 29% and 35%, respectively, of total revenue.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

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

	2020	2019
		(Restated)
Building Hope Campaign	\$ 3,465,133	\$ 2,830,003
Victims of Crime/Family Violence Programs	57,131	42,611
Next Year's Operations	19,099	90,257
Emergency Food and Shelter Program	17,387	10,117
Roxanne's House	1,458	1,460
	5,078,905	4,124,238
Total	\$ 3,560,208	\$ 2,974,448

HAYS-CALDWELL WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 8 - BUILDING HOPE CAMPAIGN

Net asset activity for the Building Hope Campaign to provide for transitional housing was as follows for the years ended September 30:

	<u>2020</u>	<u>2019</u> (Restated)
Building Hope Campaign - Beginning of Year	\$ 2,830,003	\$ 1,242,374
Restricted Revenue Received	1,490,172	1,609,435
Restricted Revenue Released (Expenses)	<u>(855,042)</u>	<u>(21,806)</u>
Building Hope Campaign - End of Year	<u>\$ 3,465,133</u>	<u>\$ 2,830,003</u>

NOTE 9 - 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 10 - 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.

	<u>2020</u>	<u>2019</u> (Restated)
Cash and Cash Equivalents	\$ 3,123,274	\$ 2,594,498
Grants Receivable	1,469,679	951,954
Total Financial Assets	<u>4,592,953</u>	<u>3,546,452</u>
Donor Restrictions	<u>(3,560,208)</u>	<u>(2,974,448)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 1,032,745</u>	<u>\$ 572,004</u>

HAYS-CALDWELL WOMEN'S CENTER
NOTES TO FINANCIAL STATEMENTS
September 30, 2020 and 2019

NOTE 10 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (continued)

The Center's primary sources of cash flows during the year are related to grants, fundraising, and contributions. These revenue sources provide a consistent inflow of cash throughout the year to cover normal operating expenses.

NOTE 11 - PAYCHECK PROTECTION PROGRAM LOAN

During the year ended September 30, 2020, the Center received a Paycheck Protection Program (PPP) loan of \$154,400 from the Small Business Administration as part of the CARES Act passed during the year to assist small businesses and non-profits affected by measures instituted in response to the COVID-19 pandemic. The loan is payable in monthly installments of approximately \$8,578, bears an interest rate of 1%, and matures in April 2022, at which time all unpaid principal and interest are payable in full. The loan is subject to forgiveness provided the Center expends the funds in accordance with the time and purpose restrictions defined by the PPP. The Center applied for PPP loan forgiveness in December 2020 and is awaiting approval.

Future scheduled maturities of the loan payable are as follows:

For the Year Ending September 30,	
2021	\$ 60,044
2022	<u>94,356</u>
Total	<u>\$ 154,400</u>

NOTE 12 - PRIOR PERIOD RECLASSIFICATIONS

For the year ended September 30, 2019, \$63,000 was reclassified from other income to grants in the statement of activities, and \$7,902 was reclassified from rent to direct client needs in the statement of functional expenses. These reclassifications had no effect on total net assets at September 30, 2019.

NOTE 13 - SUBSEQUENT EVENTS

Due to COVID-19, the Center has had to cancel or postpone fundraising events. The Center is evaluating current economic conditions and anticipates revenues to decrease for the year ending September 30, 2021. The related financial impact cannot be reasonably estimated at this time.

The Center has evaluated subsequent events through March 9, 2021, which is the date the financial statements were available to be issued.

NOTE 14 - PRIOR PERIOD RESTATEMENT

During the year ended September 30, 2020, a review of revenue and grants receivable revealed an understatement of \$100,000 in revenue, grants receivable, and net assets with donor restrictions as of September 30, 2019. Correction of this misstatement resulted in an increase of \$100,000 in revenue, grants receivable, and net assets with donor restrictions at September 30, 2019.

FINANCIAL AWARDS SECTION

HAYS-CALDWELL WOMEN'S CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended September 30, 2020

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	FY 19-20-26	\$ 460,188
Passed Through Texas Council on Family Violence: Crime Victim Assistance	16.575	2017-VA-GX-0033	7,700
Passed Through Office of the Governor: Crime Victim Assistance	16.575	1366419	1,077,195
Passed Through Texas Association Against Sexual Assault: Sexual Assault Services Formula Program	16.017	HC-17171	34,929
Total U.S. Department of Justice			<u>1,580,012</u>
U.S. Department of Health and Human Services			
Passed Through Stop Abuse For Everyone (SAFE) Alliance Affordable Care Act (ACA) Grants for Capital Development in Health Centers	93.526	90EV0453-03-00	61,557
			<u>61,557</u>
Passed Through Texas Health and Human Services Commission: Social Services Block Grant	93.667	HHS000380000066	12,117
Social Services Block Grant	93.667	HHS000380000066	1,102
			<u>13,219</u>
Temporary Assistance for Needy Families	93.558	HHS000380000066	114,270
Temporary Assistance for Needy Families	93.558	HHS000380000066	10,388
			<u>124,658</u>
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	HHS000380000066	59,139
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	HHS000380000066	5,377
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	HHS000380000066	15,525
			<u>80,041</u>
Passed Through Office of the Attorney General: Preventive Health and Health Services Block Grant	93.991	1993419	29,399
Preventive Health and Health Services Block Grant	93.991	2005122	63,375
			<u>92,774</u>
Total U.S. Department of Health and Human Services			<u>372,249</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	7,078
Total U.S. Department of Homeland Security			<u>7,078</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>1,959,339</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
For the Year Ended September 30, 2020
(continued)

STATE AWARDS

State Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Disbursements/ Expenditures
Texas Health and Human Services Commission			
Family Violence Prevention and Services Act (FVPSA)	93.671/93.667/93.558	HHS00038000066	124,701
Family Violence Prevention and Services Act (FVPSA)	N/A	HHS000683700019	48,795
			<u>173,496</u>
Passed Through Children's Advocacy Centers of Texas:			
Child Abuse Program	N/A	HHSC-FY20-26	226,824
Child Abuse Program	N/A	HHSC-FY21-26	26,083
			<u>252,907</u>
Office of the Attorney General			
Sexual Assault Prevention and Crisis Services	N/A	2099307	135,755
Sexual Assault Prevention and Crisis Services	N/A	2109361	11,225
			<u>146,980</u>
Other Victim Assistance Grant	N/A	2097400	42,000
Other Victim Assistance Grant	N/A	2108736	3,644
			<u>45,644</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>619,027</u>
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			<u>\$ 2,578,366</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, 2020

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, 2020.

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 to use the 10 percent *de minimis* indirect cost rate.

The Center did not pass any awards through to subrecipients for the year ended September 30, 2020.

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, 2020, 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 9, 2021.

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.

Randy Walker & Co.

San Antonio, Texas
March 9, 2021

**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 (a nonprofit organization) 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, 2020. 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, 2020.

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.

Randy Walker & Co.

San Antonio, Texas
March 9, 2021

**HAYS-CALDWELL WOMEN'S CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2020**

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, 2020

I. PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

None

II. PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT

None