

# Houston Area Women's Center

## FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS


December 31, 2014 and 2013



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Carr, Riggs & Ingram, LLC  
Two Riverway, 15th Floor  
Houston, TX 77056

(713) 621-8090  
(713) 621-6907 (fax)  
[www.cricpa.com](http://www.cricpa.com)

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Houston Area Women's Center  
Houston, Texas

We have audited the accompanying financial statements of Houston Area Women's Center (a Texas non-profit corporation), which comprise the statement of financial position as of December 31, 2014 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Houston Area Women's Center as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Prior Period Financial Statements**

The financial statements of Houston Area Women's Center as of December 31, 2013, were audited by other auditors whose report dated June 3, 2014, expressed an unmodified opinion on those statements.

## ***Report on Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information included in the schedules of expenditures of federal awards and state awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State of Texas Single Audit Circular* are presented for purposes of additional analysis and are 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 June 2, 2015, on our consideration of Houston Area 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 the Houston Area Women's Center's internal control over financial reporting and compliance.

*Case, Riggs & Ingram, L.L.C.*

Houston, Texas  
June 2, 2015

**Houston Area Women's Center  
Statements of Financial Position**

<i>December 31,</i>	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 553,462	\$ 458,283
Government contracts receivable	556,903	450,021
Pledges receivable, United Way allocation	727,122	727,122
Pledges receivable, other	536,248	355,896
Prepaid expenses	80,201	111,636
Long-term investments	6,303,191	6,105,846
Property and equipment, net	7,408,727	7,732,542
<b>Total assets</b>	<b>\$ 16,165,854</b>	<b>\$ 15,941,346</b>
<b>Liabilities and net assets</b>		
Liabilities		
Accounts payable	\$ 110,195	\$ 99,959
Accrued expenses	290,106	284,443
<b>Total liabilities</b>	<b>400,301</b>	<b>384,402</b>
Commitments and contingencies		
Net assets		
Unrestricted	13,445,059	13,485,929
Temporarily restricted	1,746,301	1,496,822
Permanently restricted	574,193	574,193
<b>Total net assets</b>	<b>15,765,553</b>	<b>15,556,944</b>
<b>Total liabilities and net assets</b>	<b>\$ 16,165,854</b>	<b>\$ 15,941,346</b>

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

## Houston Area Women's Center Statement of Activities and Changes in Net Assets

*For the year ended December 31, 2014*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenue and support</b>				
Government contracts	\$ 3,255,126	\$ -	\$ -	\$ 3,255,126
Contributions	1,583,699	714,351	-	2,298,050
United Way contributions	-	727,122	-	727,122
Special events	816,754	130,604	-	947,358
Less: Direct donor benefit costs	(179,011)	-	-	(179,011)
Investment income	538,871	97,725	-	636,596
Other income	137,158	-	-	137,158
<b>Total revenue and support</b>	<b>6,152,597</b>	<b>1,669,802</b>	<b>-</b>	<b>7,822,399</b>
<b>Restrictions released</b>				
Time restrictions	306,747	(306,747)	-	-
Program expenditures	1,113,576	(1,113,576)	-	-
<b>Total revenue and support</b>	<b>7,572,920</b>	<b>249,479</b>	<b>-</b>	<b>7,822,399</b>
<b>Expenses</b>				
<b>Program services</b>				
Direct services	5,561,815	-	-	5,561,815
Education and training	610,376	-	-	610,376
<b>Total program services</b>	<b>6,172,191</b>	<b>-</b>	<b>-</b>	<b>6,172,191</b>
<b>Support services</b>				
Management and general	878,958	-	-	878,958
Fundraising	562,641	-	-	562,641
<b>Total support services</b>	<b>1,441,599</b>	<b>-</b>	<b>-</b>	<b>1,441,599</b>
<b>Total expenses</b>	<b>7,613,790</b>	<b>-</b>	<b>-</b>	<b>7,613,790</b>
<b>Change in net assets</b>	<b>(40,870)</b>	<b>249,479</b>	<b>-</b>	<b>208,609</b>
<b>Net assets at beginning of year</b>	<b>13,485,929</b>	<b>1,496,822</b>	<b>574,193</b>	<b>15,556,944</b>
<b>Net assets at end of year</b>	<b>\$ 13,445,059</b>	<b>\$ 1,746,301</b>	<b>\$ 574,193</b>	<b>\$ 15,765,553</b>

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

## Houston Area Women's Center Statement of Activities and Changes in Net Assets

*For the year ended December 31, 2013*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenue and support</b>				
Government contracts	\$ 3,138,946	\$ -	\$ -	\$ 3,138,946
Contributions	2,076,525	467,433	-	2,543,958
United Way contributions	-	727,122	-	727,122
Special events	749,246	159,514	-	908,760
Less: Direct donor benefit costs	(135,507)	-	-	(135,507)
Investment income	739,632	118,451	-	858,083
Other income	151,947	-	-	151,947
<b>Total revenue and support</b>	<b>6,720,789</b>	<b>1,472,520</b>	<b>-</b>	<b>8,193,309</b>
<b>Restrictions released</b>				
Time restrictions	544,200	(544,200)	-	-
Program expenditures	1,034,599	(1,034,599)	-	-
<b>Total revenue and support</b>	<b>8,299,588</b>	<b>(106,279)</b>	<b>-</b>	<b>8,193,309</b>
<b>Expenses</b>				
<b>Program services</b>				
Direct services	5,151,409	-	-	5,151,409
Education and training	628,605	-	-	628,605
<b>Total program services</b>	<b>5,780,014</b>	<b>-</b>	<b>-</b>	<b>5,780,014</b>
<b>Support services</b>				
Management and general	842,825	-	-	842,825
Fundraising	538,374	-	-	538,374
<b>Total support services</b>	<b>1,381,199</b>	<b>-</b>	<b>-</b>	<b>1,381,199</b>
<b>Total expenses</b>	<b>7,161,213</b>	<b>-</b>	<b>-</b>	<b>7,161,213</b>
<b>Change in net assets</b>	<b>1,138,375</b>	<b>(106,279)</b>	<b>-</b>	<b>1,032,096</b>
<b>Net assets at beginning of year</b>	<b>12,347,554</b>	<b>1,603,101</b>	<b>574,193</b>	<b>14,524,848</b>
<b>Net assets at end of year</b>	<b>\$ 13,485,929</b>	<b>\$ 1,496,822</b>	<b>\$ 574,193</b>	<b>\$ 15,556,944</b>

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

## Houston Area Women's Center Statement of Functional Expenses

*For the year ended December 31, 2014*

	Program Services			Supporting Services		
	Direct services	Education and training	Total program services	Management and general	Fundraising	Total
Salaries	\$ 2,967,076	\$ 392,857	\$ 3,359,933	\$ 562,841	\$ 357,333	\$ 4,280,107
Employee health and other benefits	388,862	45,448	434,310	51,069	36,885	522,264
Payroll taxes	252,425	32,215	284,640	37,232	27,927	349,799
<b>Total salaries and related expenses</b>	<b>3,608,363</b>	<b>470,520</b>	<b>4,078,883</b>	<b>651,142</b>	<b>422,145</b>	<b>5,152,170</b>
Conferences and meetings	13,918	3,215	17,133	2,759	9,326	29,218
Depreciation	342,169	20,671	362,840	42,514	13,655	419,009
Direct assistance to individuals	837,584	-	837,584	-	-	837,584
Insurance	84,747	5,381	90,128	16,002	1,860	107,990
Membership	10,965	1,115	12,080	2,145	320	14,545
Occupancy	274,132	14,605	288,737	23,785	5,973	318,495
Postage and shipping	4,016	274	4,290	2,638	22,172	29,100
Printing and publications	18,773	27,205	45,978	3,157	24,960	74,095
Professional fees and contract services	77,666	31,146	108,812	78,019	13,200	200,031
Rental and maintenance equipment	64,920	12,644	77,564	21,994	2,379	101,937
Supplies	112,197	9,469	121,666	7,469	8,148	137,283
Telephone	79,186	4,847	84,033	11,101	2,654	97,788
Travel	27,310	6,545	33,855	2,293	501	36,649
Other	5,869	2,739	8,608	13,940	35,348	57,896
<b>Total expenses</b>	<b>\$ 5,561,815</b>	<b>\$ 610,376</b>	<b>\$ 6,172,191</b>	<b>\$ 878,958</b>	<b>\$ 562,641</b>	<b>\$ 7,613,790</b>

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



## Houston Area Women's Center Statement of Functional Expenses

*For the year ended December 31, 2013*

	Program Services			Supporting Services		
	Direct services	Education and training	Total program services	Management and general	Fundraising	Total
Salaries	\$ 2,791,091	\$ 429,649	\$ 3,220,740	\$ 550,183	\$ 335,219	\$ 4,106,142
Employee health and other benefits	384,943	59,879	444,822	61,126	38,533	544,481
Payroll taxes	236,560	35,176	271,736	40,077	26,428	338,241
<b>Total salaries and related expenses</b>	<b>3,412,594</b>	<b>524,704</b>	<b>3,937,298</b>	<b>651,386</b>	<b>400,180</b>	<b>4,988,864</b>
Conferences and meetings	8,204	3,106	11,310	4,670	10,093	26,073
Depreciation	326,791	16,234	343,025	26,900	10,100	380,025
Direct assistance to individuals	695,746	-	695,746	-	-	695,746
Insurance	82,659	5,690	88,349	16,567	2,009	106,925
Membership	11,296	1,519	12,815	1,730	-	14,545
Occupancy	263,945	11,824	275,769	21,732	5,947	303,448
Postage and shipping	3,752	550	4,302	2,054	9,310	15,666
Printing and publications	17,041	19,695	36,736	3,862	30,636	71,234
Professional fees and contract services	44,996	16,220	61,216	74,863	11,968	148,047
Rental and maintenance equipment	52,032	5,425	57,457	8,852	5,950	72,259
Supplies	107,929	7,692	115,621	7,094	8,889	131,604
Telephone	95,272	4,864	100,136	10,618	2,154	112,908
Travel	20,495	7,974	28,469	2,346	1,316	32,131
Other	8,657	3,108	11,765	10,151	39,822	61,738
<b>Total expenses</b>	<b>\$ 5,151,409</b>	<b>\$ 628,605</b>	<b>\$ 5,780,014</b>	<b>\$ 842,825</b>	<b>\$ 538,374</b>	<b>\$ 7,161,213</b>

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

## Houston Area Women's Center Statements of Cash Flows

<i>For the years ended December 31,</i>	<b>2014</b>	<b>2013</b>
<b>Operating activities</b>		
Change in net assets	\$ 208,609	\$ 1,032,096
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Depreciation	419,009	380,025
Net realized and unrealized gain on investments	(495,182)	(739,518)
Change in operating assets and liabilities		
Government contracts receivable	(106,882)	(140,126)
Pledges receivable	(180,352)	285,817
Prepaid expenses	31,435	40,883
Accounts payable	10,236	48,758
Accrued expenses	5,663	(52,096)
Net cash (used in) provided by operating activities	(107,464)	855,839
<b>Investing activities</b>		
Purchases of property and equipment	(95,194)	(298,137)
Purchases of investments and reinvestment of income	(341,415)	(794,587)
Proceeds from sales of investments	639,252	324,951
Net change in cash and cash equivalents held as investments	-	51,254
Net cash provided by (used in) investing activities	202,643	(716,519)
<b>Net change in cash and cash equivalents</b>	<b>95,179</b>	<b>139,320</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>458,283</b>	<b>318,963</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 553,462</b>	<b>\$ 458,283</b>

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

# Houston Area Women's Center

## Notes to Financial Statements

### NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***Organization***

The Houston Area Women's Center (the Women's Center) helps individuals affected by domestic and sexual violence in their efforts to move their lives forward. The Women's Center provides shelter, counseling and advocacy to support them in building lives free from the effects of violence. The organization also seeks social change to end domestic and sexual violence through community awareness and education. All services are confidential and available to everyone.

#### ***Program Descriptions***

Direct services provide a continuum of support services including shelter, counseling, and 24-hour hotline services to survivors of domestic and sexual violence, their family and friends, and the community at large. All services are provided free of charge and are provided in English and Spanish. All other languages are accommodated, including sign language, through translation services.

*Shelter and Support Services* provides a 120-bed shelter and support services, for up to ninety days, to adult women and women with children who are domestic and sexual violence survivors.

- Shelter services include meeting basic daily needs, such as clothing, transportation, meals, and a safe place to stay.
- Support services include counseling, advocacy, case management, mentoring and parenting education, and a monthly legal clinic.
- The on-site career development program includes career/vocational counseling, educational services, access to ESL and GED tutoring, employment assistance, and life skills classes.
- Services for families include on-site daycare, an on-site Early Childhood Center for infants and children (ages 6 weeks to 5 years), on-site HISD school (kindergarten through 5th grade), and enrichment services, including on-site after school and summer programs.

*Non-Residential Services* provide services at the Education and Counseling building for adult and child survivors of domestic and sexual violence, and their non-offending family members. Non-Residential Services consists of Hotline Services, Counseling and Advocacy Services, Housing Services, Children's Court Services and Outreach Counseling programs.

- Hotline Services provide crisis intervention, emotional support, information, and referrals to survivors of domestic and sexual violence through two 24-hour hotlines. The hotline also oversees the hospital accompaniment program that dispatches an advocate to hospital emergency rooms to provide crisis intervention and advocacy.
- Counseling and Advocacy Services provide individual and group counseling for survivors of domestic and sexual violence and their families and friends. Counselors advocate for clients who are trying to navigate social services and help complete Crime Victims Compensation applications. Counselors also provide expert testimony in both civil and criminal cases.

## Houston Area Women's Center Notes to Financial Statements

### NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Housing Services provides housing options and client advocacy for both shelter and non-residential clients. Housing advocacy assesses clients' housing needs and provides them with appropriate information and referrals, self-sufficiency planning workshops, tenant education sessions, access to transitional housing, and short-term and long-term rental/utility assistance. Client advocacy provides case management for housing clients and informs clients on legal rights and options, protective orders, and other legal services. A legal clinic is conducted for non-residential clients on a quarterly basis.
- Children's Court Services provides education, support, and witness preparation to children who are witnesses and/or victims of a violent crime and their non-offending family members. Court Advocates also provide court accompaniment to the children and their families once they are involved in the criminal court system.
- Outreach Counseling provides community-based counseling services for African-American, Hispanic, and disabled survivors of domestic and/or sexual violence. Outreach efforts include sites at health clinics and social service agencies.

*Violence Prevention & Community Education* provides education to community members about the dynamics of domestic and sexual violence, including the root causes, in the efforts to prevent these forms of violence.

- *Educational Programming* - The educational programming's goal is to bring awareness to the issue of domestic and sexual violence and the dynamics of these forms of violence is focused around three distinct target groups: (a) middle and high school youth, (b) low-income African American adults, and Hispanic adults with low English proficiency.
- *Professional Training* - The professional training programming's goal is to teach skill-based training to first responders within the community. These groups include medical/nursing students, child protective services, school administration within the Houston and Alief Independent School Districts, university students/faculty/staff, law enforcement, legal professional, special advocate groups, and community organizations that work primarily with low-income African American and Hispanic youth populations.
- *Primary Prevention* - Primary prevention seeks to reduce the overall likelihood that anyone will become a victim or a perpetrator by creating conditions that make violence less likely to occur. Our comprehensive approach utilizes educational seminars, training programs for professionals, and community mobilization to prevention domestic, sexual, and teen dating violence.
- *Communications* - The communications department provides information to the public on domestic and sexual violence issues and services via website, social media, public service announcements, brochures targeting special populations, interviews in the media, and collateral materials.

## Houston Area Women's Center Notes to Financial Statements

### NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Basis of Accounting***

The Women's Center's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Women's Center's resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Women's Center and changes therein are classified and reported as follows:

*Unrestricted* – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

*Temporarily Restricted* – Net assets whose use by the Women's Center is subject to donor imposed stipulations that can be fulfilled by action of the Women's Center pursuant to those stipulations or that expire by the passage of time.

*Permanently Restricted* – Net assets subject to donor imposed stipulations that assets be maintained permanently by the Women's Center. Generally, the donor of these assets permits the Women's Center to use all or part of the investment income on these assets.

Support that is restricted by the donor and is to be used in future periods or for a specific purpose is reported as an increase in temporarily restricted or permanently restricted net assets in the reporting period in which the support is recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

#### ***Cash and Cash Equivalents***

For purposes of the statements of cash flows, the Women's Center considers all highly liquid investments with initial maturities of three months or less at the time of purchase to be cash equivalents.

#### ***Government Contracts and Pledges Receivable***

The Women's Center considers all government contracts and pledges receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If amounts become uncollectible, they will be charged to operations when that determination has been made. Receivable at December 31, 2014 are expected to be collected within one year.

Pledges receivable consist of unconditional promises to give. Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are recorded discounted to estimate the present value of future cash flow, if material.

## Houston Area Women's Center Notes to Financial Statements

### NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Investments and Investment Return***

Investments are recorded at fair value. Investment return includes interest, dividends, capital gain distributions and realized and unrealized gains and losses. Investment return is reported in the statements of activities and changes in net assets as an increase in unrestricted net assets unless the use of the income is limited by donor imposed restrictions. Investment return whose use is restricted by the donor is reported as an increase in temporarily restricted net assets until expended in accordance with donor imposed restrictions.

#### ***Property and Equipment***

Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. The Women's Center capitalizes all expenditures for furniture and equipment in excess of \$1,000. Depreciation is computed using straight-line basis over estimated useful lives of 4 to 30 years. Routine maintenance and repair costs are charged to expense in the year incurred.

#### ***Government Contracts***

Revenue is recognized when the related services are provided.

#### ***Contributions***

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as restricted support. Conditional contributions are recognized in the same manner when the conditions are substantially met.

#### ***Donated Materials, Use of Facilities and Services***

Donated materials, use of facilities and of services are recognized at fair value as unrestricted contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have contributed approximately 4,531 hours in connection with programs for which no amount has been recognized in the financial statements because the services do not meet the criteria for recognition under general accepted accounting principles.

#### ***Functional Expenses***

The majority of expenses can generally be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses have been allocated among the programs and supporting services benefited based on various determinations by management.

## Houston Area Women's Center Notes to Financial Statements

### NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### ***Federal Income Taxes***

The Women's Center is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi). Therefore, no provision for federal income tax has been made in these financial statements.

The Women's Center has determined there are no uncertain tax positions that require recognition of disclosures in the accompanying financial statements.

#### ***Concentration of Credit Risk***

At various times during the year, the Women's Center's cash balances may exceed federally insured limits. The Women's Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents, due to the financial strength of the financial institutions where deposits are held.

Credit risk for pledges receivable is concentrated as well because substantially all of the balances are receivables from foundations and agencies located within the same geographic region.

#### ***Use of Estimates***

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required 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. Estimates that have the most impact on financial position and results of operations primarily relate to the collectability of government contract and pledges receivable, useful lives of property and equipment, certain accrued liabilities and allocation of expense by function. Management believes these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

#### ***Subsequent Events***

The Women's Center has evaluated subsequent events through the time the financial statements are available for issuance on June 2, 2015. No matters were identified affecting the accompanying financial statements or related disclosures.

## Houston Area Women's Center Notes to Financial Statements

### NOTE 2: FAIR VALUE MEASUREMENTS

Fair value is defined 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 for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value three tier hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Inputs other than Level 1 inputs that are either directly or indirectly observable such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable; or other inputs not directly observable, but derived principally from, or corroborated by, observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity.

The Women's Center utilizes the market approach to measure fair value for its financial assets and liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Investments in mutual funds are included in Level 1 as they are currently traded in active markets.

The value of assets and liabilities measured at fair value on a recurring basis are as follows:

	(Level 1)	(Level 2)	(Level 3)	Total
<b>December 31, 2014</b>				
<b>Investments</b>				
Large-cap equity mutual funds	\$ 4,127,790	\$ -	\$ -	\$ 4,127,790
Intermediate-term bond mutual funds	2,175,401	-	-	2,175,401
<b>Total investments measured at fair value</b>	<b>6,303,191</b>	<b>-</b>	<b>-</b>	<b>6,303,191</b>
<b>Total assets measured at fair value</b>	<b>\$ 6,303,191</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,303,191</b>
<b>December 31, 2013</b>				
<b>Investments</b>				
Large-cap equity mutual funds	\$ 3,753,069	\$ -	\$ -	\$ 3,753,069
Intermediate-term bond mutual funds	2,352,777	-	-	2,352,777
<b>Total investments measured at fair value</b>	<b>6,105,846</b>	<b>-</b>	<b>-</b>	<b>6,105,846</b>
<b>Total assets measured at fair value</b>	<b>\$ 6,105,846</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,105,846</b>

Mutual funds are valued at the net asset value of shares held at year end. This valuation method may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Women's Center believes its valuation method appropriate, the use of different



## Houston Area Women's Center Notes to Financial Statements

methods or assumptions could result in a different fair value measurement at the reporting date.

### NOTE 2: FAIR VALUE MEASUREMENTS (Continued)

The following summarizes the investment return in the statements of activities and changes in net assets:

<i>For the years ended December 31,</i>	<b>2014</b>	2013
Dividends and interest income	\$ 97,725	\$ 118,565
Net realized and unrealized gains	<b>538,871</b>	739,518
	<b>\$ 636,596</b>	\$ 858,083

Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the fair values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position and the statements of activities and changes in net assets.

The Women's Center's remaining financial instruments (primarily cash and cash equivalents, receivables, and payables) are carried in the financial statements at amounts that reasonably approximate fair value.

### NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost as follows:

<i>December 31,</i>	<b>2014</b>	2013
Land	\$ 1,905,383	\$ 1,905,383
Building and improvements	<b>9,059,568</b>	8,996,757
Furniture and equipment	<b>2,016,341</b>	1,983,958
	<b>12,981,292</b>	12,886,098
Less: accumulated depreciation	<b>(5,572,565)</b>	(5,153,556)
	<b>\$ 7,408,727</b>	\$ 7,732,542

Depreciation expense for the years ended December 31, 2014 and 2013 totaled \$419,009 and \$380,025, respectively.

### NOTE 4: COMPENSATED ABSENCES

Employees of the Women's Center are entitled to paid vacation depending on job classification, length of service, and other factors. The Women's Center has accrued approximately \$243,000 and \$234,000 at

## Houston Area Women's Center Notes to Financial Statements

December 31, 2014 and 2013, respectively, related to accumulated earned vacation.

### NOTE 5: UNRESTRICTED NET ASSETS

Unrestricted net assets include the following:

<i>December 31,</i>	<b>2014</b>	2013
Board-designated reserve fund	\$ 5,460,763	\$ 5,335,797
Undesignated	575,569	417,590
Property and equipment	7,408,727	7,732,542
	<b>\$ 13,445,059</b>	<b>\$ 13,485,929</b>

### NOTE 6: TEMPORARY RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets include the following:

<i>December 31,</i>	<b>2014</b>	2013
Direct services	\$ 907,880	\$ 872,619
Future periods	330,204	306,347
Accumulated endowment fund earnings		
Building maintenance	233,791	180,643
Direct services	30,688	13,620
Transportation	3,756	1,593
Other	239,982	122,000
	<b>\$ 1,746,301</b>	<b>\$ 1,496,822</b>

### NOTE 7: PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are invested in perpetuity to support the following:

<i>December 31,</i>	<b>2014</b>	2013
Building maintenance	\$ 529,594	\$ 529,594
Direct services	39,929	39,929
Transportation	4,670	4,670
	<b>\$ 574,193</b>	<b>\$ 574,193</b>

## Houston Area Women's Center Notes to Financial Statements

### NOTE 8: ENDOWMENT

The Women's Center has three donor-restricted endowments to support certain programs and building maintenance and are maintained in accordance with explicit donor stipulations. The Women's Center is subject to the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) which has been enacted by the state of Texas. The Board of Directors of the Women's Center has interpreted TUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Women's Center classifies the original gifts donated to the permanent endowment as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Women's Center in a manner consistent with the standard of prudence prescribed by TUPMIFA.

In accordance with TUPMIFA, the Women's Center considers the following factors in making determination to appropriate accumulated donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Women's Center and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Women's Center
- (7) The investment policies and objectives of the Women's Center

#### Spending Policy

The Women's Center has a policy of appropriating for distribution each year an amount not to exceed 3% of the endowment fund's average fair value over the prior twelve quarters without specific Board of Directors approval. In establishing this policy, the Women's Center considered the long-term expected return on the endowments

#### Strategies Employed for Achieving Objectives

Endowment funds are maintained in investment accounts which are managed by independent financial firms that follow guidance provided in an investment policy approved by the Board of Directors. The Women's Center has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce annualized returns of at least 3% in excess of the Consumer Price Index over a five-year period. To satisfy its long-term rate-of return objectives, the Women's Center relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Women's Center targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Houston Area Women's Center  
Notes to Financial Statements**

**NOTE 8: ENDOWMENT (Continued)**

Endowment funds by net asset classification are as follows:

<i>December 31,</i>	<b>2014</b>	2013
Temporarily restricted net assets	\$ 268,235	\$ 195,856
Permanently restricted net assets	<b>574,193</b>	574,193
	<b>\$ 842,428</b>	\$ 770,049

Changes in endowment net assets are as follows:

	Temporarily Restricted	Permanently Restricted	Total
<b>Endowment net assets, December 31, 2012</b>	\$ 99,208	\$ 574,193	\$ 673,401
Investment return			
Investment and dividends	16,378	-	16,378
Net appreciation	102,073	-	102,073
Amounts appropriated for expenditures	(21,803)	-	(21,803)
<b>Endowment net assets, December 31, 2013</b>	195,856	574,193	770,049
Investment return			
Interest and dividends	19,854	-	19,854
Net appreciation	77,871	-	77,871
Amounts appropriated for expenditures	(25,346)	-	(25,346)
<b>Endowment net assets, December 31, 2014</b>	<b>\$ 268,235</b>	<b>\$ 574,193</b>	<b>\$ 842,428</b>

## Houston Area Women's Center Notes to Financial Statements

### NOTE 9: GOVERNMENT CONTRACTS

The Women's Center is the recipient of government contracts from federal, state, and local agencies. Should these contracts not be renewed, a replacement for this source of support may not be forthcoming and related expenses would not be incurred. Government contract revenue includes the following:

<i>December 31,</i>	<b>2014</b>	2013
U.S. Department of Housing and Urban Development	<b>\$ 1,546,793</b>	\$ 1,556,995
U.S. Department of Justice	<b>350,786</b>	339,896
U.S. Department of Health and Human Services	<b>597,586</b>	613,631
Texas Health and Human Services Commission	<b>359,434</b>	318,881
Office of the Attorney General - State of Texas	<b>199,905</b>	195,756
Various other government contracts	<b>200,622</b>	113,787
	<b>\$ 3,255,126</b>	\$ 3,138,946

The Women's Center receives grants from federal and state funding sources that require fulfillment of certain conditions as set forth in grant contracts and are subject to review and audit by the awarding agencies. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds as a result of noncompliance by the Women's Center with the terms of the contracts. Management believes such disallowances, if any, would not be material to the Women's Center's financial position or changes in net assets.

### NOTE 10: EMPLOYEE BENEFIT PLAN

The Women's Center participates in a §401(k) plan administered by American United Life Insurance Company. Each employee is permitted to contribute up to 19% of before-tax compensation. The Women's Center annually matches 125% of employee contributions up to 4% of compensation. Employees are fully vested in the Women's Center's contributions after five years of continuous service. The Women's Center contributed approximately \$94,000 and \$103,000 to the plan in 2014 and 2013, respectively.

**Houston Area Women's Center  
Notes to Financial Statements**

**NOTE 11: OPERATING LEASES**

The Women's Center is obligated through December 2017 under various noncancellable operating leases for office equipment.

The minimum future lease payments as of December 31, 2014 as follows:

*For the year ending December 31,*

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2015	\$ 15,834
2016	15,834
2017	6,598
<b>Total</b>	<b>\$ 38,266</b>

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Total rental expense for operating leases was \$26,297 for the year ended December 31, 2014.



## **SINGLE AUDIT REPORTS**

## Houston Area Women's Center Schedule of Expenditures of Federal Awards

*For the year ended December 31, 2014*

Grantor / Pass-through grantor / Program and Period	CFDA Number	Contract Number	Program or Award Amount	Expenditures
<b>U.S. Department of Housing and Urban Development</b>				
Direct Funding				
Supportive Housing Program				
10/01/13 - 09/30/14	14.235	TX0179B6E001205	\$ 80,705	\$ 59,325
10/01/14 - 09/30/15	14.235	TX0179L6E001306	80,705	48,208
07/01/13 - 06/30/14	14.235	TX0202L6E001205	622,493	258,904
07/01/14 - 06/30/15	14.235	TX0202L6E001306	622,493	351,404
12/01/13 - 11/30/14	14.235	TX0169L6E001205	294,876	214,799
12/01/14 - 11/30/15	14.235	TX0169L6E001306	294,876	34,001
			1,996,148	966,641
Passed through City of Houston Child Care Council				
Community Development Block Grants / Entitlement Grants				
03/01/13 - 02/28/14	14.218	460-001-1946	23,223	3,132
03/01/14 - 02/28/15	14.218	460-001-1946	20,957	17,846
			44,180	20,978
Emergency Solutions Grant Program				
03/01/13 - 02/28/14	14.231	460-001-1946	538,786	101,927
03/01/14 - 02/28/15	14.231	460-001-1946	385,557	302,343
Passed through Harris County Community Services Department (Office of Housing and Community Development)				
Emergency Solutions Grant Program				
03/01/13 - 02/28/14	14.231	C2013-0037c	48,235	622
03/01/14 - 02/28/15	14.231	C2014-0034c	181,364	111,952
08/01/14 - 10/31/14	14.231	4500203791-0	18,216	18,216
Passed through Texas Department of Housing and Community Affairs				
Emergency Solutions Grant Program				
Supportive Housing Program				
10/01/14 - 09/30/15	14.231	4211002077	120,752	9,143
10/01/14 - 09/30/15	14.231	42120002082	150,000	14,391
11/01/14 - 04/30/15	14.231	42120002083	29,248	580
			1,472,158	559,174
<b>Total U.S. Department of Housing and Urban Development</b>			3,512,486	1,546,793

*See independent auditor's report and accompanying note to the schedules of expenditures of federal and state awards.*



## Houston Area Women's Center Schedule of Expenditures of Federal Awards (Continued)

*For the year ended December 31, 2014*

Grantor / Pass-through grantor / Program and Period	CFDA Number	Contract Number	Program or Award Amount	Expenditures
<b>U.S Department of Justice</b>				
Direct Funding				
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking or Sexual Assault				
10/01/13 - 09/30/16	16.736	2013-WH-AX-0028	\$ 300,000	\$ 42,440
Passed through City of Houston				
National Institute of Justice Research, Evaluation and Development Project Grants				
01/01/13 - 09/30/14	16.560	2011-DN-BX-0002	24,500	3,817
Passed through Office of Governor, Criminal Justice Division				
Crime Victim Assistance				
09/01/13 - 08/31/14	16.575	1367614	160,000	104,789
09/01/14 - 08/31/15	16.575	1346217	389,029	96,508
09/01/13 - 08/31/14	16.575	1346216	80,000	50,087
09/01/13 - 08/31/14	16.575	2685301	63,366	41,394
			692,395	292,779
Passed through Harris County Sheriff's Department				
PREA Program: Demonstration Projects to Establish Zero Tolerance Cultures for Sexual Assault in Correctional Facilities				
10/01/13 - 09/30/15	16.735	2013-RP-BX-0014	30,700	11,750
<b>Total U.S Department of Justice</b>			1,047,595	350,786
<b>U.S. Department of Health and Human Services</b>				
Passed through Office of the Attorney General - State of Texas				
Preventive Health and Health Services Block Grant				
11/01/13 - 09/30/14	93.991	1447648	29,300	25,510
Injury Prevention and Control Research and State and Community Based Programs				
11/01/13 - 01/31/14	93.136	1448257	26,311	8,869
02/01/14 - 01/31/15	93.136	1449776	71,244	47,875
			97,555	56,744

*See independent auditor's report and accompanying note to the schedules of expenditures of federal and state awards.*

## Houston Area Women's Center Schedule of Expenditures of Federal Awards (Continued)

*For the year ended December 31, 2014*

Grantor / Pass-through grantor / Program and Period	CFDA Number	Contract Number	Program or Award Amount	Expenditures
<b>U.S. Department of Health and Human Services (Continued)</b>				
Passed through Texas Health and Human Services Commission				
Family Violence Prevention and Services / Battered Women's Shelters - Grants to States and Indian Tribes				
09/01/13 - 08/31/14	93.671	529-14-0053-00018	\$ 133,729	\$ 90,053
09/01/14 - 08/31/15	93.671	529-15-0032-00011	151,667	48,647
09/01/13 - 08/31/14	93.671	529-11-0007-00006C	55,092	37,563
10/01/14 - 09/30/15	93.671	529-15-0006-00006	59,637	7,015
			400,125	183,278
Social Services Block Grant				
09/01/13 - 08/31/14	93.667	529-14-0053-00018	335,442	225,887
09/01/14 - 08/31/15	93.667	529-15-0032-00011	330,999	106,167
			666,441	332,054
<b>Total U.S Department of Health and Human Services</b>			1,193,421	597,586
<b>U.S. Department of Transportation</b>				
Passed through Metropolitan Transit Authority of Harris County				
Job Access and Reverse Commute Program				
10/01/13 - 09/30/15	20.516	TX-37-X103-HAWC	419,090	116,990
<b>U.S. Department of Agriculture</b>				
Child and Adult Care Food Program				
10/01/13 - 09/30/14	10.558	02498		44,323
10/01/14 - 09/30/15	10.558	02498		16,210
<b>Total U.S Department of Agriculture</b>				60,533
<b>U.S. Department of Homeland Security</b>				
Passed through United Way of Texas Gulf Coast				
Emergency Food and Shelter Program				
01/01/14 - 12/31/14	97.024		5,000	5,000
<b>Total Federal awards</b>			\$ 2,677,688	

*See independent auditor's report and accompanying note to the schedules of expenditures of federal and state awards.*

## Houston Area Women's Center Schedule of Expenditures of State Awards

*For the year ended December 31, 2014*

Grantor / Pass-through grantor / Program and Period	Contract Number	Program or Award Amount	Expenditures
<b>Texas Health and Human Services Commission</b>			
General Revenue Crime Victims			
09/01/13 - 08/31/14	529-14-0053-00018	\$ 335,442	\$ 225,887
09/01/14 - 08/31/15	529-15-0032-00011	330,999	106,167
03/01/14 - 08/31/14	529-14-0053-00018A	27,821	27,380
<b>Total Texas Health and Human Services Commission</b>		694,262	359,434
<b>Office of the Attorney General - State of Texas</b>			
Sexual Assault Prevention Crisis Services Division			
09/01/13 - 08/31/14	1440049	156,416	102,713
09/01/14 - 08/31/15	1551175	156,416	54,252
		312,832	156,965
Compensation to Victims of Crime Fund			
09/01/13 - 08/31/14	1444041	42,000	27,575
09/01/14 - 08/31/15	1552660	42,000	15,365
		84,000	42,940
<b>Total Office of the Attorney General - State of Texas</b>		396,832	199,905
<b>Harris County, Texas</b>			
Youth and Family Services Division			
03/01/13 - 02/28/14	61114	17,500	2,012
03/01/14 - 02/28/15	61115	17,500	16,088
<b>Total Harris County, Texas</b>		35,000	18,099
<b>Total State awards</b>		\$	577,438

*See independent auditor's report and accompanying note to the schedules of expenditures of federal and state awards.*



## Houston Area Women's Center Note to Schedules of Expenditures of Federal and State Awards

### NOTE 1: SIGNIFICANT ACCOUNTING POLICY USED IN PREPARING THE SCHEDULES

#### ***Basis of presentation***

The schedules of expenditures of federal and state awards are prepared on the accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas *Single Audit Circular*. Allowable expenses are determined according to the standards of Office of Management and Budget Circular A-122, *Cost Principles for Non-profit Organizations* for federal awards, and the *Texas Uniform Grants Management Standards* for state awards and include costs that are reported in the Women's Center's financial statements in conformity with generally accepted accounting principles.



Carr, Riggs & Ingram, LLC  
Two Riverway, 15th Floor  
Houston, TX 77056

(713) 621-8090  
(713) 621-6907 (fax)  
[www.cricpa.com](http://www.cricpa.com)

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

Board of Directors  
Houston Area Women’s Center  
Houston, 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 Houston Area Women’s Center (the Women’s Center), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and changes in net assets, 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 June 2, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the Women’s Center’s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 Women’s Center’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 Women's Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carly Riggs & Ingram, L.L.C.*

Houston, Texas  
June 2 2015



Carr, Riggs & Ingram, LLC  
Two Riverway, 15th Floor  
Houston, TX 77056

(713) 621-8090  
(713) 621-6907 (fax)  
www.cricpa.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE STATE OF TEXAS *SINGLE AUDIT CIRCULAR***

Board of the Board of Directors  
Houston Area Women's Center  
Houston, Texas

**Report on Compliance for Each Major Federal and Major State Program**

We have audited Houston Area Women's Center's compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and in the State of Texas *Single Audit Circular* that could have a direct and material effect on each of the Women's Center's major federal and state programs for the year ended December 31, 2014. The Women's Center's major federal and state 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 and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Women's Center's major federal and state 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization* and in the State of Texas *Single Audit Circular*. Those standards, OMB Circular A-133, and in the State of Texas *Single Audit Circular* 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 or state program occurred. An audit includes examining, on a test basis, evidence about the 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 and state program. However, our audit does not provide a legal determination of the Women's Center's compliance.

### ***Opinion on Each Major Federal and Major State Program***

In our opinion, the Women's Center's 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 and state programs for the year ended December 31, 2014.

### **Report on Internal Control over Compliance**

Management of the 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 the 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 and state 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 and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State of Texas *Single Audit Circular*, 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 the 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 or state 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 or state 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 or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the State of Texas *Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

*Carr, Riggs & Ingram, L.L.C.*

Houston, Texas  
June 2 2015



## Houston Area Women's Center Schedule of Findings and Questioned Costs

### SECTION I – SUMMARY OF AUDITORS' RESULTS

#### Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_yes                      X   no
- Significant deficiencies identified? \_\_\_\_\_yes                      X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_yes                      X   no

#### Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_yes                      X   no
- Significant deficiencies identified? \_\_\_\_\_yes                      X   none reported

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 Section 510(a) of OMB Circular A-133 and in the State of Texas *Single Audit Circular*? \_\_\_\_\_yes                      X   no

#### Identification of major programs:

<u>CFDA number</u>	<u>Name of Federal Programs</u>
14.231	Emergency Solutions Grant Program
14.235	Supportive Housing Program
20.516	Job Access and Reverse Commute Program
93.671	Family Violence Prevention and Services / Battered Women's Shelters – Grants to States and Indian Tribes
93.667	Social Services Block Grant
<u>Contract number</u>	<u>Name of State Program or Cluster</u>
529-14-0053-00018	General Revenue Crime Victims
529-14-0032-00011	General Revenue Crime Victims
529-14-0053-00018A	General Revenue Crime Victims

**Houston Area Women's Center  
Schedule of Findings and Questioned Costs (Continued)**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS (CONTINUED)**

Dollar threshold used to distinguish between  
Type A and Type B for both federal and state programs: \$300,000

Auditee qualified as low-risk federal auditee?        X   yes      \_\_\_\_\_ no

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported for the year ended December 31, 2014.

**SECTION III – FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS**

None reported for the year ended December 31, 2014.