Montgomery County Women's Center

Financial Statements and Supplementary Information

For the Years Ended December 31, 2020 and 2019

CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Montgomery County Women's Center
Conroe, Texas

We have audited the accompanying financial statements of Montgomery County Women's Center (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 auditors' 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 auditors consider 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.

To the Board of Directors of
Montgomery County Women's Center
Re: Independent Auditors' Report

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Montgomery County Women's Center as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information – Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, 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. The accompanying schedules of revenue and expenditures of crime victims civil legal services grant is also presented for purpose 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 audits 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 April 30, 2021 on our consideration of Montgomery County 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 the effectiveness of Montgomery County Women's Center's 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 Montgomery County Women's Center's internal control over financial reporting and compliance.

Briggs & Veselka Co.

Briggs & Veselka Co.
The Woodlands, Texas

April 30, 2021

MONTGOMERY COUNTY WOMEN'S CENTER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Cash and cash equivalents	**$ 2,057,714**	$ 942,187
Certificates of deposit	**-**	500,073
Grant funds receivable	**242,322**	208,919
Other receivables	**628**	1,294
United Way funding receivable	**89,749**	97,027
Other assets	**46,535**	9,697
Property and equipment, net	**4,292,546**	4,436,932
TOTAL ASSETS	**$ 6,729,494**	$ 6,196,129
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	**$ 54,935**	$ 33,968
Other accrued liabilities	**173,674**	152,304
Deferred revenue	**-**	31,891
Total liabilities	**228,609**	218,163
Net assets		
Without donor restrictions	**6,412,300**	5,879,146
With donor restrictions	**88,585**	98,820
Total net assets	**6,500,885**	5,977,966
TOTAL LIABILITIES AND NET ASSETS	**$ 6,729,494**	$ 6,196,129

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

MONTGOMERY COUNTY WOMEN'S CENTER
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Revenues and other support without donor restrictions		
State and federal financial awards	**$ 1,516,845**	$ 1,336,408
Non-government grants	**63,878**	159,896
Contributions	**2,578,434**	2,091,737
Contribution – grant revenue	**593,500**	-
United Way funding	**382,132**	259,784
Donated items sold to the public	**1,235,336**	1,331,625
Special events	**146,283**	163,822
Rent	**46,862**	53,900
Other	**6,333**	3,398
Total revenues and other support without donor restrictions	**6,569,603**	5,400,570
Net assets released from restrictions	**20,735**	29,196
Total revenues and other support without donor restrictions	**6,590,338**	5,429,766
Expenses		
Program services		
Residential programs	**2,603,046**	2,455,118
Outreach	**482,653**	511,623
Counseling and sexual assualt	**1,186,598**	1,182,486
Legal	**375,712**	371,534
Supporting services		
Management and general	**626,914**	542,049
Fundraising		
Resale shop	**771,663**	745,246
Other fundraising	**10,598**	27,734
Total expenses	**6,057,184**	5,835,790
Change in net assets without donor restrictions	**533,154**	(406,024)
Net assets with donor restrictions		
Reaching Pines/shelter	**1,000**	10,998
Scholarships	**9,500**	117,018
Net assets released from restrictions	**(20,735)**	(29,196)
Change in net assets with donor restrictions	**(10,235)**	98,820
Change in net assets	**522,919**	(307,204)
Net assets, beginning of year	**5,977,966**	6,285,170
NET ASSETS, END OF YEAR	**$ 6,500,885**	$ 5,977,966

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

MONTGOMERY COUNTY WOMEN'S CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services				Supporting Services			
						Fundraising		
	Residential Programs	Outreach	Counseling and Sexual Assault	Legal	Management and General	Resale Shop	Other Fundraising	Total Expenses
Salaries/wages	$ 752,106	$ 205,281	$ 502,060	$ 281,430	$ 495,906	$ 381,633	$ -	$ 2,618,416
Fringe benefits	42,640	6,498	41,080	18,791	81,905	39,131	-	230,045
Assistance to individuals	1,362,291	209,716	525,423	41,996	-	-	-	2,139,426
Auto and travel	4,488	4,672	7,200	715	3,015	29,848	-	49,938
Depreciation	170,538	915	1,830	913	1,186	7,863	-	183,245
Insurance	21,340	1,721	6,854	3,085	2,273	15,541	-	50,814
Maintenance and repairs	39,601	567	1,163	567	10,200	8,316	-	60,414
Meetings and conferences	-	-	4,805	868	-	-	-	5,673
Office	39,869	9,277	34,163	8,978	12,245	12,839	60	117,431
Professional fees	7,841	14,850	7,197	6,369	2,960	950	-	40,167
Rent	10,132	533	30,810	533	550	206,920	-	249,478
Supplies	73,714	14,412	10,827	4,514	5,011	15,044	8,438	131,960
Technology	10,989	7,604	6,978	4,031	2,806	5,811	-	38,219
Utilities	63,597	2,138	2,404	2,164	2,529	29,286	-	102,118
Other	3,900	4,469	3,804	758	6,328	18,481	2,100	39,840
TOTAL EXPENSES	$ 2,603,046	$ 482,653	$ 1,186,598	$ 375,712	$ 626,914	$ 771,663	$ 10,598	$ 6,057,184

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

MONTGOMERY COUNTY WOMEN'S CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services				Supporting Services			
						Fundraising		
	Residential Programs	Outreach	Counseling and Sexual Assault	Legal	Management and General	Resale Shop	Other Fundraising	Total Expenses
Salaries/wages	$ 796,362	$ 227,501	$ 585,374	$ 267,632	$ 416,647	$ 365,237	$ -	$ 2,658,753
Fringe benefits	63,676	16,804	58,078	26,970	80,679	41,945	-	288,152
Assistance to individuals	1,148,912	189,175	444,908	35,581	-	-	1,261	1,819,837
Auto and travel	11,845	16,516	11,265	9,199	3,556	29,215	150	81,746
Depreciation	158,830	504	1,513	504	1,424	5,020	-	167,795
Insurance	20,015	2,072	8,426	3,242	2,852	10,330	-	46,937
Maintenance and repairs	58,310	472	551	489	8,321	14,794	-	82,937
Meetings and conferences	-	422	3,050	1,103	198	-	-	4,773
Office	44,121	34,155	15,833	5,435	8,501	10,975	8,479	127,499
Professional fees	5,615	2,366	13,025	8,117	4,691	903	15,049	49,766
Rent	10,159	681	20,140	681	2,250	209,098	-	243,009
Supplies	64,950	17,117	11,853	7,685	4,181	12,283	2,752	120,821
Technology	9,353	1,934	6,589	3,040	2,047	1,811	-	24,774
Utilities	62,014	1,805	1,805	1,780	1,561	23,770	-	92,735
Other	956	99	76	76	5,141	19,865	43	26,256
TOTAL EXPENSES	$ 2,455,118	$ 511,623	$ 1,182,486	$ 371,534	$ 542,049	$ 745,246	$ 27,734	$ 5,835,790

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

MONTGOMERY COUNTY WOMEN'S CENTER
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities		
Change in net assets	**$ 522,919**	$ (307,204)
Adjustment to reconcile change in net assets to net cash from operating activities:		
Depreciation	**183,245**	167,795
Gain on investments	**(76)**	(73)
Changes in operating assets and liabilities:		
Grant funds receivable	**(33,403)**	129,041
Other receivables	**666**	16,577
United Way funding receivable	**7,278**	152,750
Other assets	**(36,838)**	33,956
Accounts payable	**20,967**	(48,831)
Other accrued liabilities	**21,370**	(7,242)
Deferred revenue	**(31,891)**	(29,159)
Net cash from operating activities	**654,237**	107,610
Cash flows from investing activities		
Purchases of fixed assets	**(38,859)**	(221,777)
Proceeds from maturities of investments	**500,149**	-
Purchases of investments	**-**	(500,000)
Net cash from investing activities	**461,290**	(721,777)
Net change in cash and cash equivalents	**1,115,527**	(614,167)
Cash and cash equivalents, beginning of year	**942,187**	1,556,354
Cash and cash equivalents, end of year	**$ 2,057,714**	$ 942,187

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

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Montgomery County Women's Center (the "Center") is a 501(c)(3) nonprofit organization dedicated to providing safe shelter, crisis intervention, counseling, legal, and support services to victims/survivors of family violence, sexual assault, stalking, and abuse and provides education about such issues. During 2020 and 2019, approximately 32% and 25%, respectively, of support received by the Center is from federal and state funding. The other support is from local funding and donor contributions. The Center operates a resale shop as a means of converting household items and clothing contributed by the public to cash for use in funding operations. The Center owns and operates a 70 bed emergency shelter that houses victims of sexual assault and domestic violence. The Center also owns and operates Reaching Pines, a residential transitional apartment community, with 24 units for families rebuilding their lives. Both the shelter and Reaching Pines assist women and their children with continued case management and counseling, childcare, and other supportive services.

Basis of Accounting – The financial statements of the Center have been prepared in accordance with generally accepted accounting principles in the United State of America (U.S. GAAP).

Basis of Presentation – The Center is required to report information regarding its financial position and activities according to the following net asset classifications:

- **Net Assets Without Donor Restrictions –** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Center's management and the Board of Directors.

- **Net Assets With Donor Restrictions –** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents – For financial statement purposes, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash and cash equivalents.

Certificates of Deposit – Certificates of deposit are quoted at fair value. Appreciation during the year is included in other income in the statements of activities. Certificates of deposit mature over a period of four to five months.

Concentration of Credit Risk – The Center maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. The Center believes it is not exposed to any significant risk on its cash balances.

Accounts Receivable – Accounts receivable is comprised of grants and other receivables. Grant receivables are stated as reimbursable expenditures due from the grantor. No allowance for bad debts is recorded as revenue received is from third-party reimbursements with state and local government agencies.

Property and Equipment – Acquisitions of property and equipment in excess of $5,000 are capitalized. Property and equipment are carried at cost. Depreciation is computed using the straight-line method over three to forty year estimated useful lives.

Maintenance and repairs are charged to expense, and major improvements are capitalized. Any gain or loss on retirement, sale or other disposition of the equipment is recognized as revenue or expense. Donated equipment is valued at fair market value, and its related depreciation is computed using the straight-line method.

Contributions – Contributions are recognized when a donor makes a promise to give to the Center that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with time or purpose restrictions, or restrictions to be held in perpetuity depending on the nature of the restrictions. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions and reported in the statements of activities as net assets released from restrictions.

Contribution – Grant Revenue – On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act, commonly referred to as the CARES Act, was signed into law. One component of the Coronavirus Aid, Relief, and Economic Security (CARES) Act is the Paycheck Protection Program (PPP), which provides qualified small businesses and certain tax-exempt organizations with the resources needed to help provide economic relief due to the adverse impact of COVID-19. The PPP is implemented by the U.S. Small Business Administration (SBA) with support from the U.S. Department of the Treasury.

On April 7, 2020, the Center received funding of $593,500, in the form of a two-year loan with an annual interest rate of 1%. The Center applied for loan forgiveness under the provisions of Section 1106 of the CARES Act. On November 2, 2020, all conditions of the program were substantially met and as such the loan was forgiven.

During 2020, the Center adopted Financial Accounting Standards Board (FASB) Accounting Standards Updated (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)* as management believes the standard improves the usefulness and understandability of the Center's financial reporting. In accordance with the ASU, the Center recorded the PPP loan proceeds as a refundable advance in the statements of financial position until such time that all conditions of the program were substantially met.

Contributed Services and Materials – A number of volunteers make significant contributions of their time in assisting the Center in carrying out its programs. The value of their contributed time is not reflected in these financial statements since it is not susceptible to objective measurement of valuations.

Household items, clothing, and food, donated by the public, are recognized as income with an offsetting charge to expense, based on the programs that benefit from donations, when received. These items amounted to $2,115,991 and $1,785,937 at December 31, 2020 and 2019, respectively. These items are provided to clients or sold to the public in the resale shop (except food). Revenue from items sold in the resale shop are recognized at the time of sale and amounted to $1,235,336 and $1,331,625 at December 31, 2020 and 2019, respectively.

Rent – Based on analysis of the FASB Accounting Standards Codification Topic 606, *Revenue From Contracts With Customers,* no changes are necessary to conform with the new standard. Revenue is recognized when the Center satisfies a performance obligation by transferring control of a real estate property to a tenant, in an amount that reflects the consideration to which the Center expects to be entitled for that property.

Fair Value of Financial Instruments – U.S. GAAP defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement assumes that the transaction to see the asset or transfer the liability occurs in the principle market for the asset or liability or, in the absence of a principle market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- **Level 1 –** Unadjusted quoted prices for identical assets or liabilities obtained from active markets to which the Center has access on the measurement date.

- **Level 2 –** Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.

- **Level 3** – Unobservable inputs for the asset or liability, which include management's own assumption about the assumptions market participants would use in pricing the asset or liability, including assumptions about risk.

Functional Allocation of Expenses – The costs of providing the various programs, and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services. Such allocations are determined by management or an equitable basis.

The allocation methods used by the Center are as follows:

Expense	Method of Allocation
Salaries/wages	Time and effort
Fringe benefits	Time and effort
Assistance to individuals	Time and effort
Auto and travel	Time and effort
Depreciation	Square footage
Insurance	Square footage
Maintenance and repairs	Time and effort
Meetings and conferences	Time and effort
Office	Time and effort
Professional fees	Time and effort
Rent	Square footage
Supplies	Time and effort
Technology	Time and effort
Utilities	Square footage

Use of Estimates – The presentation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Risks and Uncertainties – During 2020, many countries around the world, including the United States, were impacted by the coronavirus (the "virus" or COVID-19) outbreak. While the virus is continuing to evolve, its implications could involve unavailability of personnel, disruptions of supply chains, and reductions in program service fees and contributions, affecting results of operations and cash flows. In addition, the Center has been impacted by the broader effects of COVID-19 as a result of the negative impact the virus has had on the global economy and major financial markets. At this time, management is not aware of any material risk to the Center's financial statements and cannot quantify the full extent the virus will have on the Center's financial information.

Advertising Expenses – Advertising costs are expensed as incurred and are used to promote awareness of the Center's programs among the audiences it serves. Advertising expense for 2020 and 2019 were $811 and $35,709, respectively.

Income Taxes – The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and, therefore, has made no provision for federal income taxes in the accompanying financial statements.

NOTE 2 – UPCOMING RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The ASU will require most leases to be recognized on the statements of financial position as lease assets and lease liabilities and will require both quantitative and qualitative disclosures regarding key information about leasing arrangements. Lessor accounting is largely unchanged. In June 2020, the FASB issued ASU No. 2020-05, *Revenue From Contracts With Customers (Topic 606) and Leases (Topic 842)*: *Effective Dates for Certain Entities*, to defer these two standards. Under the deferral for leases rules, private companies and private not-for-profit organizations can apply the standard to fiscal years beginning after December 15, 2021.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash or other financial assets. It also requires a not-for-profit to disclose contributed nonfinancial assets recognized within the statements of activities disaggregated by category that depicts the type of contributed nonfinancial assets and includes additional disclosure requirements for each category of contributed nonfinancial assets recognized. The ASU is effective for a not-for-profit entity for annual periods beginning after June 15, 2021. Early adoption is permitted.

The Center is currently evaluating the potential impact of these standards on its financial statements.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position dates, comprise the following at December 31:

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents	**$ 2,057,714**	$ 942,187
Certificates of deposit	**-**	500,073
Grant funds receivable	**242,322**	208,919
Other receivables	**628**	1,294
United Way funding receivable	**89,749**	97,027
Total financial assets at year-end	**2,390,413**	1,749,500
Less: amounts not available for general expenditure within one year	**(88,585)**	(98,820)
Total financial assets at year-end available for general expenditure over the next 12 months	**$ 2,301,828**	$ 1,650,680

Cash and cash equivalents include cash on deposit and highly liquid financial instruments with original maturities of three months or less. Grants receivable represent the balance of grant funds that will be collected upon fulfillment of grant requirements. Other receivables are amounts due from tenants at Reaching Pines. All amounts are expected to be collected within one year.

The Center has a goal of maintaining financial assets on hand to meet approximately 180 days of normal cash operating costs. As part of the Center's liquidity management plan, the Center invests certain amounts of cash in excess of daily requirements in a sweep account. Funds are swept each night and invested. The Center has immediate access to these funds at any time.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2020	2019
Land and land improvements	**$ 197,033**	$ 197,033
Buildings	**5,610,617**	5,610,617
Furniture and equipment	**273,483**	243,625
Vehicles	**98,837**	98,837
Leasehold improvements	**87,094**	78,094
	6,267,064	6,228,206
Less: accumulated depreciation	**(1,974,518)**	(1,791,274)
Total property and equipment, net	**$ 4,292,546**	$ 4,436,932

Depreciation expense for 2020 and 2019 amounted to $183,245 and $167,795, respectively.

NOTE 5 – NET ASSETS

The Center has net assets with the following purpose restrictions at December 31:

	2020	2019
Reaching Pines/shelter	**$ 11,913**	$ 10,913
Scholarships	**76,672**	87,907
Total net assets with donor restrictions	**$ 88,585**	$ 98,820

NOTE 6 – COMMITMENTS AND CONTINGENCIES

The Center has 2 operating leases for its Woodlands, Texas locations and various office equipment. Rent expense relating to these leases totaled $249,478 and $243,009 for 2020 and 2019, respectively.

Future minimum lease payments under operating leases are as follows at December 31, 2020:

For the Year Ending December 31,	Amount
2021	$ 160,366
2022	160,216
2023	159,527
2024	156,849
2025	154,677
Thereafter	711,000
Total	$ 1,502,635

NOTE 7 – EMPLOYEE BENEFIT PLAN

The Center has a qualified defined contribution plan. The plan is available to all full-time employees upon hire, and the Center matches up to 3% of salaries after 1 year of employment. The total contributed to the plan for 2020 and 2019 were $17,084 and $25,334, respectively.

NOTE 8 – SUBSEQUENT EVENTS

The Center has evaluated subsequent events through April 30, 2021 the date which the financial statements were available to be issued.

Briggs & Veselka Co.
A LIMITED LIABILITY PARTNERSHIP
Certified Public Accountants and Business Advisors

INDEPENDENT AUDITORS' 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 of
Montgomery County Women's Center
Conroe, 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 Montgomery County Women's Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 April 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Montgomery County Women's Center's internal control over financial reporting (internal control) as a basis for designing 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 Montgomery County Women's Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Montgomery County 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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Montgomery County 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Briggs & Veselka Co.

Briggs & Veselka Co.
The Woodlands, Texas

April 30, 2021

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

To the Board of Directors of
Montgomery County Women's Center
Conroe, Texas

Report on Compliance for Each Major Federal Program

We have audited Montgomery County Women's Center's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Montgomery County Women's Center's major federal programs for the year ended December 31, 2020. Montgomery County Women's Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Montgomery County 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 Montgomery County 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 Montgomery County Women's Center's compliance.

To the Board of Directors of
Montgomery County Women's Center
Re: Independent Auditors' Report on Compliance

Opinion on Each Major Federal Program

In our opinion, Montgomery County 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 December 31, 2020.

Report on Internal Control Over Compliance

Management of Montgomery County 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 Montgomery County 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 Montgomery County 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Briggs & Veselka Co.
Briggs & Veselka Co.
The Woodlands, Texas

April 30, 2021

SUPPLEMENTARY INFORMATION

MONTGOMERY COUNTY WOMEN'S CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass Thru Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
477 Cluster			
U.S Department of Health and Human Services			
Passed Through Texas Department of Health and Human Services			
Temporary Assistance for Needy Families	93.558	G-1902TXFVPS	$ 131,076
Temporary Assistance for Needy Families	93.558	2001TXTAN3	54,609
Total U.S Department of Health and Human Services			185,685
Total 477 Cluster			185,685
Other programs			
U.S. Department of Justice			
Passed Through Texas Office of the Governor Criminal Justice Division			
Crime Victim Assistance	16.575	2019-V2-GX-0011	451,521
Crime Victim Assistance	16.575	2018-V2-GX-0040	132,185
Total U.S. Department of Justice			583,706
U.S. Department of Health and Human Services			
Passed Through Texas Health and Human Services Commission			
Social Security Block Grant	93.667	G-1902TXFVPS	14,581
Social Security Block Grant	93.667	2001TXSOSR	5,748
Total Social Security Block Grant			20,329
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	G-1902TXFVPS	68,204
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	2002TXFVPS	28,741
COVID-19 CARES ACT Supplemental FVPSA	93.671	2002TXFVPC3	31,099
Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services			128,044
Total Passed Through Texas Health and Human Services Commission			148,373
Total U.S. Department of Health and Human Services			148,373
U.S. Department of Homeland Security			
Emergency Food and Shelter National Board Program	97.024	826800-001 PHASE 37	20,000
Emergency Food and Shelter National Board Program	97.024	826800-001 CARES	8,932
Total U.S. Department of Homeland Security			28,932
Total other programs			761,011
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 946,696

See accompanying notes to the schedule of expenditures of federal awards.

NOTE 1 – THE ORGANIZATION

Montgomery County Women's Center, (the "Center") receives federal grants to carry out its programs and services to provide safe shelter, crisis intervention, counseling, legal, and support services to victims/survivors of family violence, sexual assault, stalking, and abuse and provides education about such issues to those living in Montgomery County, Texas.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (Schedule) includes the activity of the Center and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the OMB Compliance Supplement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 – NONCASH AND LOANS

There were no federal awards expended in the form of noncash assistance or insurance and there were no federal program loans or loan guarantees outstanding at year end.

NOTE 4 – INDIRECT COST

Expenditures included in the Schedule represent only direct costs. There were no indirect costs allocated to the expenses of the federal grants.

NOTE 5 – RELATIONSHIP OF THE SCHEDULE TO FINANCIAL REPORTS SUBMITTED TO GRANT AWARDING AGENCIES

Expenditures included in the Schedule may differ from amounts reflected in the financial reports submitted to grant awarding agencies for the following reasons:

- Expenses accrued at the end of the Center's fiscal year may not be included in the financial reports submitted to grant awarding agencies until after year-end;

- Program matching costs that are reported in the financial reports submitted to awarding agencies are not included in the amounts reported in the Schedule; and

- Differences may exist between grant periods and the Center's accounting period.

NOTE 6 – CONTINGENCIES

Grants require the fulfillment of certain conditions set forth in grant agreements and are regularly monitored and reviewed by the grantors. Failure to satisfy the requirement of contract agreements could result in disallowed costs and return of funds to grantors. Management believes that the Center is in substantial compliance with grant provisions and requirements and that disallowed costs, if any, will not be significant to affect the amounts and disclosures in the financial statements.

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 (a)?	No

Major Program:

Award Type	Federal CFDA Number	Name of Federal Grantor/Pass Thru Grantor/ Program or Cluster Title
Federal	16.575	Crime Victim Assistance

Dollar threshold used to distinguish between type A and type B programs:

Federal awards	$750,000
Auditee qualified as low-risk auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported

Grant period September 1, 2020 to August 31, 2021:

	Actual	Budget	Over (Under) Budget
Grant funds received in 2020	$ 26,008	$ 27,377	$ (1,369)
Personnel			
Attorneys	36,081	27,377	8,704
Total expenses	36,081	27,377	8,704
Total, net	$ (10,073)	$ -	$ (10,073)

Grant period September 1, 2019 to August 31, 2020:

	Actual	Budget	Over (Under) Budget
Grant funds received in 2020	$ 26,836	$ 27,377	$ (541)
Personnel			
Attorneys	22,108	27,377	(5,269)
Total expenses	22,108	27,377	(5,269)
Total, net	$ 4,728	$ -	$ 4,728