THE WOMEN'S CENTER OF TARRANT COUNTY, INC. AND AFFILIATE

Financial Statements

September 30, 2021

The Women's Center of Tarrant County, Inc. and Affiliate
September 30, 2021

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Boucher, Morgan and Young, a P.C.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Women's Center of Tarrant County, Inc. and Affiliate
Fort Worth, Texas

We have audited the accompanying consolidated financial statements of The Women's Center of Tarrant County, Inc. and Affiliate (nonprofit corporations), (collectively, the Organization), which comprise the consolidated statement of financial position as of September 30, 2021, and the related consolidated statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Women's Center of Tarrant County, Inc. and Affiliate as of September 30, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Consolidating Information

Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information is presented for purposes of additional analysis rather than to present the financial position, changes in net assets and cash flows of the individual organizations and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including reconciling such information directly to the underlying accounting and other records used to prepare the consolidated 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 consolidated financial statements as a whole.

Other Matters

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2022, on our consideration of the Organization'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 solely 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 the Organization'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 the Organization's control over financial reporting and compliance.

Boucher, Morgan & Young

Granbury, Texas
April 18, 2022

The Women's Center of Tarrant County, Inc. and Affiliate
Consolidated Statement of Financial Position
September 30, 2021

	The Women's Center of Tarrant County, Inc.	The Women's Center of Tarrant County Foundation	Eliminating	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 477,935	$ -	$ -	$ 477,935
Accounts receivable	574,582	-	-	574,582
Contributions receivable	132,373	151,313	-	283,686
Due from affiliate	49,916	-	(49,916)	-
Inventory	21,503	-	-	21,503
Prepaid expenses and other deposits	88,762	-	-	88,762
Total current assets	1,345,071	151,313	(49,916)	1,446,468
Non-current assets:				
Other assets, net	438,851	-	-	438,851
Investments	6,298,778	4,091,500	-	10,390,278
Property and equipment, net	4,636,206	-	-	4,636,206
Assets permanently restricted to endowment	-	20,000	-	20,000
Total non-current assets	11,373,835	4,111,500	-	15,485,335
Total assets	$ 12,718,906	$ 4,262,813	$ (49,916)	$ 16,931,803
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	$ 74,934	$ -	$ -	$ 74,934
Accrued liabilities	177,445	-	-	177,445
Due to affiliate	-	49,916	(49,916)	-
Deferred revenue	187,507	-	-	187,507
Current portion of note payable	-	-	-	-
Total current liabilities	439,886	49,916	(49,916)	439,886
Long-term liabilities:				
Note payable	-	-	-	-
Total liabilities	439,886	49,916	(49,916)	439,886
Net assets:				
Without donor restriction:				
Undesignated	8,075,675	-	-	8,075,675
Board designated - operating reserve	2,550,000	-	-	2,550,000
Board designated - building maintenance	1,500,000	-	-	1,500,000
Board designated - endowment	-	4,032,997	-	4,032,997
Total without donor restriction	12,125,675	4,032,997	-	16,158,672
With donor restriction:				
Perpetual in nature	-	20,000	-	20,000
Purpose restricted	20,972	8,587	-	29,559
Time restricted	132,373	151,313	-	283,686
Total with donor restriction	153,345	179,900	-	333,245
Total net assets	12,279,020	4,212,897	-	16,491,917
Total liabilities and net assets	$ 12,718,906	$ 4,262,813	$ (49,916)	$ 16,931,803

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

The Women's Center of Tarrant County, Inc. and Affiliate
Consolidated Statement of Activities
Year ended September 30, 2021

	The Women's Center of Tarrant County, Inc.			The Women's Center of Tarrant County Foundation				
	Without donor restriction	With donor restriction	Total	Without donor restriction	With donor restriction	Total	Eliminating	Total
Revenues and other support:								
Contributions	$ 984,332	$ 892,041	$ 1,876,373	$ 5,000	$ -	$ 5,000	$ -	$ 1,881,373
United Way	285,676	-	285,676	-	-	-	-	285,676
Government grants and contracts	2,443,944	-	2,443,944	-	-	-	-	2,443,944
Program service fees	97,578	-	97,578	-	-	-	-	97,578
Special events income, net of expenses of $10,823	243,076	-	243,076	-	-	-	(10,000)	233,076
Investment income	105,770	-	105,770	65,791	569	66,360	-	172,130
Net realized and unrealized gain on investments	987,823	-	987,823	858,792	7,013	865,805	-	1,853,628
Miscellaneous income	172,558	-	172,558	-	-	-	-	172,558
Gain on extinguishment of debt	344,100	-	344,100	-	-	-	-	344,100
Net assets released from restriction:								
Satisfaction of time restrictions	265,541	(265,541)	-	115,000	(115,000)	-	-	-
Satisfaction of program restrictions	565,104	(565,104)	-	-	-	-	-	-
Total revenues and other support	6,495,502	61,396	6,556,898	1,044,583	(107,418)	937,165	(10,000)	7,484,063
Expenses:								
Program services:								
Rape crisis and victim services	2,450,045	-	2,450,045	-	-	-	-	2,450,045
Employment solutions	1,016,100	-	1,016,100	-	-	-	-	1,016,100
Counseling and case management	900,550	-	900,550	-	-	-	-	900,550
Support of mission	-	-	-	10,000	-	10,000	(10,000)	-
Total program services	4,366,695	-	4,366,695	10,000	-	10,000	(10,000)	4,366,695
Supporting services:								
Management and general	566,216	-	566,216	3,210	-	3,210	-	569,426
Fundraising	385,869	-	385,869	52,605	-	52,605	-	438,474
Total supporting services	952,085	-	952,085	55,815	-	55,815	-	1,007,900
Total expenses	5,318,780	-	5,318,780	65,815	-	65,815	(10,000)	5,374,595
Change in net assets	1,176,722	61,396	1,238,118	978,768	(107,418)	871,350	-	2,109,468
Net assets, beginning of year	10,948,953	91,949	11,040,902	3,054,229	287,318	3,341,547	-	14,382,449
Net assets, end of year	$ 12,125,675	$ 153,345	$ 12,279,020	$ 4,032,997	$ 179,900	$ 4,212,897	$ -	$ 16,491,917

The Women's Center of Tarrant County, Inc. and Affiliate

Consolidated Statement of Cash Flows

Year ended September 30, 2021

	The Women's Center of Tarrant County, Inc.	The Women's Center of Tarrant County Foundation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Change in net assets	$ 1,238,118	$ 871,350	$ 2,109,468
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation and amortization	313,173	-	313,173
Net realized and unrealized gain on investments	(987,823)	(865,805)	(1,853,628)
Gain on extinguishment of debt	(344,100)	-	(344,100)
(Increase) decrease in operating assets:			
Accounts receivable	(133,607)	-	(133,607)
Contributions receivable	(91,470)	115,000	23,530
Inventory	(8,115)	-	(8,115)
Prepaid expenses and other deposits	8,946	-	8,946
Due from (to) affiliate	(34,089)	34,089	-
Increase (decrease) in operating liabilities:			
Accounts payable and accrued liabilities	(86,157)	-	(86,157)
Deferred revenue	53,032	-	53,032
Cash provided by (used in) operating activities	(72,092)	154,634	82,542
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(603,963)	(270,799)	(874,762)
Proceeds from sale of investments	120,105	52,478	172,583
Purchase of property and equipment	(21,133)	-	(21,133)
Cash used in investing activities	(504,991)	(218,321)	(723,312)
Net decrease in cash and cash equivalents	(577,083)	(63,687)	(640,770)
			-
Cash and cash equivalents at beginning of year	1,055,018	63,687	1,118,705
			-
Cash and cash equivalents at end of year	$ 477,935	$ -	$ 477,935

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

The Women's Center of Tarrant County, Inc. and Affiliate

Consolidated Statement of Functional Expenses

Year ended September 30, 2021

	Program Services					Supporting Services				
	Rape Crisis and Victim Services	**Employment Solutions**	**Counseling and Case Management**	**Support of Mission**	**Total Program Services**	**Management and General**	**Fundraising**	**Total Supporting Services**	**Eliminating**	**Total**
Center										
Salaries and related costs	$ 2,005,898	$ 541,100	$ 590,974	$ -	$ 3,137,972	$ 522,487	$ 335,699	$ 858,186	$ -	$ 3,996,158
Professional fees	31,884	20,787	7,113	-	59,784	9,108	9,953	19,061	-	78,845
Assistance to individuals	-	161,044	4,462	-	165,506	-	-	-	-	165,506
Utilities	19,094	16,641	5,504	-	41,239	916	901	1,817	-	43,056
Supplies	27,734	8,127	3,433	-	39,294	1,538	2,312	3,850	-	43,144
Telephone and answering service	25,240	6,683	12,884	-	44,807	408	361	769	-	45,576
Occupancy	33,638	21,364	16,216	-	71,218	1,154	1,154	2,308	-	73,526
Equipment and maintenance rentals	52,250	46,150	14,665	-	113,065	8,025	6,016	14,041	-	127,106
Printing/advertising and promotions	8,973	5,593	2,043	-	16,609	2,392	9,959	12,351	-	28,960
Insurance	21,793	18,954	5,871	-	46,618	1,014	1,014	2,028	-	48,646
Travel	1,705	288	3,668	-	5,661	248	41	289	-	5,950
Maintenance	39,638	34,451	186,427	-	260,516	1,879	2,119	3,998	-	264,514
Conferences	9,526	1,943	1,311	-	12,780	509	643	1,152	-	13,932
Postage	3,153	133	483	-	3,769	644	1,054	1,698	-	5,467
Other	31,086	12,442	4,765	-	48,293	9,089	7,839	16,928	-	65,221
Total expenses before depreciation and amortization	2,311,612	895,700	859,819	-	4,067,131	559,411	379,065	938,476	-	5,005,607
Depreciation and amortization	138,433	120,400	40,731	-	299,564	6,805	6,804	13,609	-	313,173
Total Center expenses	2,450,045	1,016,100	900,550	-	4,366,695	566,216	385,869	952,085	-	5,318,780
Foundation										
Salaries and related costs	-	-	-	-	-	3,017	27,559	30,576	-	30,576
Support of Mission	-	-	-	10,000	10,000	-	-	-	(10,000)	-
Professional fees	-	-	-	-	-	193	24,299	24,492	-	24,492
Supplies	-	-	-	-	-	-	349	349	-	349
Printing and advertising	-	-	-	-	-	-	295	295	-	295
Conferences	-	-	-	-	-	-	103	103	-	103
Total Foundation expenses	-	-	-	10,000	10,000	3,210	52,605	55,815	(10,000)	55,815
Total Expenses	$ 2,450,045	$ 1,016,100	$ 900,550	$ 10,000	$ 4,376,695	$ 569,426	$ 438,474	$ 1,007,900	$ (10,000)	$ 5,374,595

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

Note 1- Nature of Organization and Significant Accounting Policies

Nature of Operations

The Women's Center of Tarrant County, Inc. (the Center) opened in Fort Worth, Texas in January 1979. The Center provides comprehensive crisis intervention, counseling, and crime prevention services in the areas of sexual assault and other violent crime; information, referral, and counseling for women in crisis and transition; comprehensive employment services for women and men; and public advocacy and community education in all the areas in which the Center works. The Center's mission is to inspire and empower women, men and children to overcome violence, crisis and poverty. The Center is governed by a Board of Directors (the Board), which is composed of up to forty unpaid community members. The Board's key roles and responsibilities are strategic planning, policy development, and general organization oversight and accountability. The Board employs the President and Chief Executive Officer, who is the general manager and chief administrative officer of the Center.

The Women's Center of Tarrant County Foundation (the Foundation) was incorporated on October 11, 2013, to perform charitable activities including holding, managing, receiving, administering, and investing property for the exclusive use, benefit, and support of the Center and to be responsive to the needs and demands of the Center. The Center is the sole member of the Foundation, and the Center elects the Board of Directors of the Foundation. The Center contributed the assets to form the Foundation on February 1, 2015.

Basis of Presentation and Reporting Entity

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and, include the accounts of both the Center and the Foundation (collectively, the Organization). All material intra-entity transactions and balances have been eliminated.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Accounts Receivable

Accounts receivable represent government grant receivables and other receivables. Based on past experience and analysis of current receivable collectability, no allowance for doubtful accounts is considered necessary at September 30, 2021.

Inventory

Inventory, consisting primarily of materials for the Play it Safe!® videos, are valued using lower of cost or market on the first in, first out basis.

NOTE 1- Nature of Organization and Significant Accounting Policies (continued)

Other Assets

Other assets are comprised of the Rape Crisis & Victim Services Play it Safe!® video project, the Play it Safe!® web based application and updates to the Center's website. Other assets are amortized over the useful life using the straight-line method.

The estimated useful lives for each major amortizable classification of other assets are as follows:

Play it Safe!® videos	15 years
Play it Safe!® web based application	10 years
Center website	10 years

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Investment return includes dividend, interest, and other investment income. Net realized and unrealized gain on investments includes both realized and unrealized gains and losses on investments carried at fair value.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included as net assets with donor restriction and then released from restriction. Other investment return is reflected in the consolidated statement of activities as net assets without restriction or net assets with donor restriction based upon the existence and nature of any donor or legally imposed restrictions.

The Foundation maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated monthly to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. All acquisitions of property and equipment in excess of $2,500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings	30 years
Furniture and equipment	5-10 years
Leasehold improvements	5-10 years

NOTE 1- Nature of Organization and Significant Accounting Policies (continued)

Property and Equipment (continued)

The Organization periodically reviews the carrying value of its long-lived assets, including property and equipment, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. To the extent the fair value of long-lived assets, determined based upon the estimated future cash inflows attributable to the assets less estimated future cash outflows, is less than the carrying amount, an impairment loss is recognized. No such losses were recognized during the year ended September 30, 2021.

Net Assets

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

Net assets without donor restriction – net assets that are not subject to donor-imposed stipulations.

Net assets with donor restriction – net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Revenue is recognized when earned. Special event revenues and payments under reimbursement-based contracts or grants received in advance are deferred to the applicable period in which the related event is held or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-kind Contributions

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Contributed goods are recorded at fair value at the date of donation. The Organization had $15,995 and $16,495 of donated services and contributed goods during the year ended September 30, 2021.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services based upon specific identification of costs, approximate percentage of time expended or usage of building, as appropriate.

NOTE 1- Nature of Organization and Significant Accounting Policies (continued)

Income Taxes

The Center and Foundation are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, any income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

At September 30, 2021, the tax years 2018 and thereafter remain subject to examination for federal tax purposes.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note Payable

In April 2020, the Center received a loan in the amount of $344,100 under the Payroll Protection Program (PPP) pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (the SBA). (See Note 12).

The Center is recording the PPP loan following the guidance under FASB *Accounting Standards Codification* (ASC) 470, *Debt*. PPP loans are considered a financial liability until either the loan is in part or wholly forgiven and the debtor has been legally released, or the debtor pays off the loan. In June 2021, the PPP loan has been fully forgiven and the Center is legally released. Therefore, the liability was reduced by the amount forgiven and recorded as a gain on extinguishment of debt.

Subsequent Events

The Organization evaluated all events or transactions that occurred after September 30, 2021 through April 18, 2022, the date these financial statements were available to be issued. During this period, the Organization did not have any material recognizable subsequent events.

NOTE 2 – Contributions Receivable

At September 30, 2021, contributors have made unconditional promises to give $132,373 to the Center and $151,313 to the Foundation. Based upon past experience and analysis of current receivable collectability, no allowance for uncollectible accounts is considered necessary at September 30, 2021.

The Organization's receivables are scheduled to be collected as follows:

	The Center	The Foundation
2022	$ 112,373	$ 120,000
2023	20,000	31,313
	$ 132,373	$ 151,313

NOTE 3 – Other Assets

Other assets at September 30, 2021 consists of:

Play it Safe!® videos	$ 623,315
Play it Safe!® web based application	176,250
Center website	63,970
	863,535
Less accumulated amortization	(424,684)
	$ 438,851

NOTE 4 – Investments

The fair values and related carrying values of investments as of September 30, 2021 are summarized as follows:

	Center		Foundation	
	Fair Value	Cost	Fair Value	Cost
Cash equivalents	$ 141,627	$ 141,626	$ 70,992	$ 69,552
Mutual funds:				
Domestic equities	4,047,176	2,106,732	3,282,692	1,898,510
International equities	-	-	22,504	18,392
Fixed income	2,109,975	2,022,465	735,312	711,121
	$ 6,298,778	$ 4,270,823	$ 4,111,500	$ 2,697,575

The Foundation investments reconcile to the Statement of Financial Position as follows:

Investments	$ 4,091,500
Assets permanently restricted to endowment	20,000
	$ 4,111,500

NOTE 5 – Fair Value Measurements

US GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

> Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
>
> Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
>
> Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level is within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

All of the Organization's investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of September 30, 2021:

	Center		
	Level 1	Level 2	Level 3
Cash equivalents	$ 141,627	$ -	$ -
Mutual funds			
Domestic equities	4,047,176	-	-
International equities	-	-	-
Fixed income	2,109,975	-	-
Total	$ 6,298,778	$ -	$ -

	Foundation		
	Level 1	Level 2	Level 3
Cash equivalents	$ 70,992	$ -	$ -
Mutual funds			
Domestic equities	3,282,692	-	-
International equities	22,504	-	-
Fixed income	735,312	-	-
Total	$ 4,111,500	$ -	$ -

NOTE 6 - Property and Equipment

Property and equipment consist of the following at September 30, 2021:

Land	$	554,592
Buildings		6,324,140
Furniture and equipment		828,849
Leasehold improvements		2,574
		7,710,155
Less accumulated depreciation		(3,073,949)
	$	4,636,206

NOTE 7 – Net Assets of the Center

Net Assets Without Donor Restriction - Board Designated

The net assets without donor restriction of the Center which are presented as board designated represents amounts designated by the Center's Board to be used for operation purposes and building maintenance. Amounts designated as operating reserve are comprised of no less than six months average operating expenses based on the following year's operating budget and are $2,550,000 at September 30, 2021. Amounts designated as building maintenance are comprised of $1,500,000 and were designated following the 2005-2009 Capital Campaign. Earnings from these funds will be used as needed in the annual operating budget to fund increased operating costs and to fund repairs and maintenance of the new facility.

Net Assets With Donor Restriction

Net assets with donor restriction at September 30, 2021 consist of the following:

Subject to expenditure for specified purpose:		
COVID-19	$	20,972
Subject to the passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due		132,373
	$	153,345

NOTE 8 – Net Assets of the Foundation

Endowment

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based upon the existence or absence of donor-imposed restrictions.

NOTE 8 – Net Assets of the Foundation (continued)

The Foundation Board of Directors have interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of the State of Texas to require the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. Therefore, the Foundation will classify as net assets with donor restriction in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restriction in perpetuity is classified as net assets with donor restriction only until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation 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 Foundation
7. The investment policies of the Foundation

Foundation net asset composition by type of funds as of September 30, 2021 consist of the following:

	Without Donor Restriction	With Donor Restriction	Total
Board designated endowment funds	$ 4,032,997	$ -	$ 4,032,997
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	20,000	20,000
Subject to expenditure for specified purpose:			
Allocation to the Center	-	8,587	8,587
Promises to give that are not restricted by donors for purpose, but which are unavailable for expenditure until due	-	151,313	151,313
	$ 4,032,997	$ 179,900	$ 4,212,897

NOTE 8 – Net Assets of the Foundation (continued)

The changes in the endowment net assets for the year ended September 30, 2021 consist of the following:

	Without Donor Restriction	With Donor Restriction	Total
Balance, beginning of year	$ 3,054,229	$ 287,318	$ 3,341,547
Contributions	5,000	-	5,000
Investment income	65,791	569	66,360
Net realized and unrealized gain on investments	858,792	7,013	865,805
Investment fees	(10,899)	-	(10,899)
Other expenses	(54,916)	-	(54,916)
Satisfaction of time restrictions	115,000	(115,000)	-
	$ 4,032,997	$ 179,900	$ 4,212,897

The overall investment objective of the portfolio is to provide long-term growth and income. It is also expected that the return of the portfolio will compare favorably with portfolios of similar objectives and asset allocations.

Investment and Spending Policies

The overarching theme is that the investment assets should be managed in a prudent fashion to support the mission of the Center. Given the evolving implementation of the mission and the dynamic nature of the markets, how best to support this mission is subject to change over time. Thus, the policy is to have the Foundation Board of Directors routinely monitor the investments and affirm they are consistent with objectives or modify as appropriate. The portfolio will generally be managed on a fully invested basis, thereby avoiding the long-term performance penalty of holding cash reserves.

In order to meet the stated objectives, the following guidelines are established:

	Minimum Allocation	**Target Allocation**	**Maximum Allocation**
Equity	60%	80%	85%
Fixed income	15%	20%	40%
Cash equivalents	0%	0%	10%

The annual distributable funds for each calendar year may be up to 5% of the market value of the investments based on a continuous five-year average.

The percentage distributed shall be reviewed annually by the Foundation Board of Directors and adjusted as appropriate according to the needs of the Center and current market climate. Should the suggested distribution result in a reduction of the real value of the endowment and reserve funds to a level below the adjusted real value, the Foundation Board of Directors shall determine the percent or amount to be withdrawn.

NOTE 9 - Retirement Plan

The Center has a defined contribution employee retirement plan to which it contributes an amount equal to 3% of eligible employees' salary. Employees are eligible to participate in the plan after they have completed one year and 1,000 hours of service or immediately after hire date if they have worked for another social service organization within the last three years for a comparable period. Participating employees vest 100% after six years of service or upon attainment of their retirement age. Forfeitures due to employee separation from service before vesting are used to reduce Center contributions. Contributions totaled $76,559 during the year ending September 30, 2021.

NOTE 10 - Liquidity

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Contributions without donor restrictions that will be available for use within one year for general purposes include pledges receivable in the amount of $232,373.

	Center	Foundation
Financial assets at year-end	$ 7,482,082	$ 4,262,813
Less those unavailable for general expenditures within one year, due to:		
Contributions due in more than one year	(20,000)	(31,313)
Donor-restricted to COVID-19 expenditures	(20,972)	-
Donor-restricted to allocation to Center	-	(8,587)
Donor-restricted to maintain as an endowment	-	(20,000)
Board-designated as operating reserves	(2,550,000)	-
Board-designated for building mintenance	(1,500,000)	-
Board-designated for endowment funds		(4,032,997)
Financial assets available to meet cash needs for general expenditures within one year	$ 3,391,110	$ 169,916

As part of the Organization's liquidity management, cash in excess of daily requirements is invested in short-term investments. Additionally, the Board of Directors designates as operating reserve an amount no less than six months average operating expenses based on the following year's operating budget and may be drawn upon, if necessary, to meet unexpected liquidity needs or in the event of financial distress.

NOTE 11 – Concentrations

The Organization's cash accounts at financial institutions are secured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. Some of their account balances may, at times, exceed the insured amount. In the event of an institutional failure, account balances exceeding FDIC insurance limits may not be recoverable. At September 30, 2021, $235,839 of the Organization's cash and cash equivalents was not insured or collateralized. The Organization has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on its cash balances.

NOTE 11 – Concentrations (continued)

Approximately 25% of revenue is derived from contributions, 23% is derived from grants from the Federal government under the departments of Health and Human Services, Housing and Urban Development, and Justice, and 10% of revenue is derived from other government grants and contracts. The current level of the Organization's operations and program services may be impacted or segments discontinued if such funding discontinues or is not renewed.

NOTE 12 – Note Payable

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) to provide economic stimulus. As part of the stimulus package, the Paycheck Protection Program (PPP) was established to provide loans that are forgivable if an entity spends all of the funds on payroll, mortgage interest, rent and utilities in the eight weeks after receiving the loan, with at least 75% of the funds spent specifically on payroll. The Organization received a loan under this program on April 16, 2020 in the amount of $344,100, payable in 17 monthly principal payments of $19,117 plus interest at 1% beginning November 16, 2020, with the final payment of principal and unpaid accrued interest due on April 16, 2022. In June 2021, the Organization received a waiver forgiving the loan in full. This forgiveness has been recognized as a Gain on extinguishment of debt in the Statement of Activities totaling $344,100 in the year ended September 30, 2021.

Supplementary Information

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

To the Board of Directors of
The Women's Center of Tarrant County, Inc. and Affiliate
Fort Worth, 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 consolidated financial statements of The Women's Center of Tarrant County, Inc. and Affiliate (collectively, the Organization), which comprise the consolidated statement of financial position as of September 30, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 18, 2022.

Internal Control over Financial Reporting

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

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material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Boucher, Morgan & Young

Granbury, Texas
April 18, 2022