

Fort Bend County Application Packet for Family Protection Funding

Fort Bend County Commissioners Court has authorized the adoption of a family protection fee set by statute as \$15. The fee is collected by the district clerk at the time a suit for dissolution of a marriage under Chapter 6, Family Code is filed. The Commissioners Court of Fort Bend County is seeking one or more nonprofit organizations located in Fort Bend County that provide direct services for the prevention or intervention of family violence or the abuse or neglect of a child. An agency that provides services through another third-party, non-profit will not be eligible for the funds. The amount of the grant(s) for FY13 will be between \$35,000 and \$100,000. Each application will be evaluated based on the criteria included in this packet. In subsequent years the grant allocation will be approximately \$30,000-35,000.

Agency Name: Fort Bend County Women's Center

Address: P. O. Box 183

City: Richmond

State: TX

Zip: 77406

County: Fort Bend

Is your organization a 501 (3)(c) YES

Employer ID or Tax ID Number: 76-0032451

Project Name: Fort Bend County Women's Center Shelter and Aftercare Programs

Is the project a new or ongoing part of your organization: Ongoing

Total Project Budget Required: \$ 3,047,197

Amount Funding Requested: \$33,000

Contact Person: Vita Goodell

Contact Phone: 281-344-5755

Email: vgoodell@fortbendwomenscenter.org

Agency Web Address: www.fortbendwomenscenter.org

I. ORGANIZATION BACKGROUND

A. Mission Statement of the Agency: The Fort Bend County Women's Center assists survivors of domestic violence and sexual assault and their children to achieve safety and self-sufficiency, while striving to prevent violence against women.

B. Total Number of Paid Staff for the Agency: 88

C. Explain how this agency, or a specific project managed by the agency, that will provide direct services qualifies for the Family Protection Account Fee as outlined in the Local Government Code, Section 51.961 -

"A service provider who receives funds under Subsection (d) may provide family violence and child abuse prevention, intervention, family strengthening, mental health, counseling, legal, and marriage preservation services to families that are at risk of experiencing or that have experienced family violence or the abuse or neglect of a child."

The Fort Bend County Women's Center provides direct services in the form of emergency shelter, case management, counseling, employment and housing assistance, and other services to families who have experienced domestic

violence. We also have several programs aimed at domestic violence and sexual assault prevention.

II. PROJECT DETAILS

- A. Describe how your agency plans to utilize these funds and describe the direct services being provided and be as specific as possible.

We will use the funds to provide the following direct services to survivors of domestic violence and their children:

Emergency Shelter – Our Emergency Shelter houses up to 65 women and children. The shelter provides a safe place to stay until the client can move to safe housing. Three nutritious meals and snacks are provided. Access to other Women’s Center direct services is provided through the Shelter’s on-site staff.

Crisis Hotline – Available 24 hours a day, seven days a week for crisis intervention. Crisis Hotline Operators must assess the caller’s situation, ensure that they are in a safe place and coordinate emergency transportation, if necessary. If a caller needs to get away from their situation, the hotline operator assists the caller with creating a safety plan and can arrange for her to be brought to a safe place by a law enforcement official or other means of transportation. In 2012, over 32,700 calls were received on the 24-hour hotline, most of which were from victims of domestic violence & sexual assault. Callers are often also referred to other community resources, including legal, law enforcement and medical providers.

Case Management – Long-term case management is provided to assist and support clients in setting and reaching goals of self-sufficiency. Case managers also help clients access agency and community services and complete safety plans. They provide guidance and referrals for employment, education and housing assistance.

Basic Medical Care – All shelter clients have access to an on-site nurse who administers basic medical care, dispenses prescription medication and makes referrals to other medical facilities if needed. The nurse also provides immunizations for all children of shelter residents who have not received recommended child vaccines.

Emergency Medical Care – Clients currently access medical care through the OakBend Medical Center Emergency Room and Access Health Clinic (formerly Fort Bend Family Health Clinic).

Transportation – Transportation is provided in all emergencies. Transportation is also provided to all resident/non-resident clients seeking employment, housing, medical and mental health care, social services, legal services, etc.

Counseling –Counselors are available for scheduled sessions with clients. Individual and group counseling are available.

Legal Assistance - Legal advice and assistance are provided by referral to pro-bono lawyer organizations such as Lone Star Legal Aid or Fort Bend Lawyers Care. Case managers act as legal advocates for all agency clients who request this service. Case managers encourage clients to obtain protective orders and help them navigate through the often-complicated legal system.

Cooperation with Criminal Justice Officials – All staff members are trained to encourage clients’ full cooperation with the criminal justice system through legal advocacy, support counseling and court accompaniment.

Children's Programs – The agency provides playcare, experiential field trips, and learning opportunities for resident and nonresident children. Parenting skills classes are also offered through this program.

Employment Services – The agency's Learning Resource Center, full-time employment assistant and staff members are available to all clients for GED tutorials and preparation, ESL classes, resume building, life skills and interview skills workshops. Volunteers and staff members provide assistance in filling out applications, career counseling and other employment services.

Clothing - Clothing is available to clients through donations made by the community to the Women's Center and vouchers to the agency's PennyWise Resale Centers.

- B. Describe how the funds being requested will be used to provide direct services for the agency's clients or how the funds will be used for a specific project?

Family Protection Fee funding will be used to partially fund the salaries and benefits of the direct care and support staff in the Fort Bend County Women's Center Shelter and Aftercare Programs. Funds will also be used to cover other operational expenses for the shelter and "Hamrah" counseling center, such as utilities, client transportation expenses, food and cleaning products, etc., all of which are used to provide direct care in the form of shelter and/or support services to victims of domestic violence and their children.

- C. Briefly explain the duties of key staff performing the direct services described in question A. above.

- Case Manager – The case manager is the client's "life line", providing front line support and help in setting and progressing toward the client's goals for safety and self-sufficiency. The Case manager provides referrals to Women's Center and outside provider services that will help the client and/or her children.
- Counselor – The trained counselor meets with clients as needed to provide help and support in dealing with the trauma of domestic violence. Counselors also conduct group counseling sessions for clients and children. Our counselors are either fully licensed LPC's or are in the final stages of training for that license.
- Residential Advocates – Resident Advocates (RA's) are on duty at the Shelter 24 hours a day, 7 days a week. They provide direct support for clients' immediate needs, such as arranging for transportation or appointments with case managers, or providing supplies (diapers, detergent, etc.). They are also responsible for answering the 24 hour hotline.
- Shelter Director and Assistant Director – responsible for the management and operation of the Shelter itself and the staff. Clients who need special attention may approach the Shelter Director or Assistant Director with their needs.
- Program Coordinator – supervises all case management and counseling staff. Works directly with clients when needed.

- D. Describe your timeline for implementation if these funds are provided under the grant. Grant funds will be expended during the calendar year 2014, from January 1st through December 31st.

III. FINANCIAL

- A. Is a copy of your most current Annual Audit attached? If not, please explain. Yes
- B. Total amount of the request being made to the County: \$33,000
- C. Identify any gaps in funding and the sources of funds that might be used for the project if the overall cost of the project is greater than the funds requested.
To provide additional funding for the Fort Bend County Women's Center Shelter, these other sources of funding are utilized: Fundraising events (Boogie, Girlfriends Giggle, Music Fest, Gillman Golf tournament), United Way, Texas Dept. of Health and Human Services and other government grants, foundation grants, contributions from individuals and corporations, and revenue from our PennyWise Resale Centers. Current gaps in funding include lower than expected revenues from the PennyWise stores and decreased funding from foundations, corporations and government sources. Family Protection Fee funding will help a great deal in closing any funding gaps.
- D. Does your agency have sufficient capital to manage the funds as a reimbursable grant? Yes
- E. Does your agency charge a fee for service to the client and if so please explain? No

IV. COMMUNITY IMPACT

- A. How many individuals will receive services with this funding? In 2012, 345 women and children were served in our emergency shelter. In 2012, we also served 1,305 adults and children in our non-resident "Aftercare" program. Though all the numbers aren't complete for 2013, we project that we will have served over 1,500 men, women and children this year.
- B. What type of benchmarks will be used to measure the success of the proposed project? Identify an appropriate timeline for attaining these benchmarks.

Upon leaving the shelter, each client is asked to complete a survey asking about whether she feels more safe and knowledgeable about community services. We measure our success partially through the results of that survey (our goal is to have 80 – 90% of clients state that they feel safer and more knowledgeable) and, of course, by the number of people (women and children) that utilize our services over the course of a year (we anticipate that the number of people served in 2013 will be approximately 1,500). We also look at the number of people who are able to increase their incomes over the period of time that they work with us. This is a very important indicator of their ability to live self-sufficiently and violence free.

Other Documents to include with this application:

IRS Designation letter of 501 (3) (c) status

Latest Audited Financial Statement

Organization Chart

List of Board of Directors

Attachment A – Evaluation Sheet

Attachment B – Reporting Requirements & Reimbursement Request

Attachment C – Financial Reporting Form for Application, Expenditure Reports and Reimbursement Requests

Family Protection Funding Application Evaluation Form – Attachment A

Applicant Name:

Project Name:

CRITERIA

| Criteria | Maximum Points | Actual Points |
|---|----------------|---------------|
| Not located in Fort Bend County | -50 | |
| A total deduction of 10 points will be taken if any required documentation is missing | -10 | |
| Organization Background (10) | | |
| Mission of agency is consistent with Statute requirements. | 10 | |
| Project Details (35) | | |
| Project description is consistent with requirements of statute. | 20 | |
| The agency timeline for management of the project is realistic. | 5 | |
| The agency has sufficient resources and staff to accomplish the goals of the project. | 10 | |
| | | |
| Financial Plan (20) | | |
| The agency has sufficient cash flow to fund the project and request reimbursement OR The agency has sufficient cash flow to fund the project until the proposed benchmarks are achieved | 10 | |
| Gaps in funding for the proposed project have been identified. | 10 | |
| Community Impact (35) | | |
| Achieving the proposed benchmarks will serve the needs of victims of child abuse, neglect, or family violence. | 20 | |
| Is the cost per beneficiary reasonable | 15 | |

Family Protection Funding Application Reporting – Attachment B

ANNUAL REPORT

An annual report will be required by December 30th, following the January of the year in which the grant is awarded.

Briefly describe in a narrative format the goals for the project and the accomplishments to date.

If you set benchmarks for your program, please describe the activities used to reach the target or, describe any impediments to attaining your benchmarks.

Complete the Financial Reporting Form (Attachment C, Excel Spreadsheet) as part of the Annual Report.

If you have chosen to submit a quarterly or monthly narrative report as part of your reimbursement requests, only complete Attachment C – Financial Report Form as a cumulative of the previously reported months or quarters for the Annual Report.

REIMBURSEMENT

Reimbursement requests may be made monthly, quarterly or annually. An invoice style request or a narrative report can be made to the County Judge Office, but either style will require Attachment C. Appropriate backup of the expenditures (purchase orders, sales receipts, copies of contract or contractor's invoices, etc., must be included with the invoice or report.

If an unanticipated expenditure has occurred during the reporting time frame, make note in the column labeled *Project Funds Expended* on Attachment C with a brief note of explanation. Complete the report by requesting a reimbursement in the column-*Reimbursement Requested*.

Application Deadline is December 30, 2013
Submit via email to: jenetha.jones@fortbendcountytexas.gov

INTERNAL REVENUE SERVICE
District Director

DEPARTMENT OF THE TREASURY
1100 Commerce St., Dallas, TX 75242

Fort Bend County Womens Center, Inc.
P.O. Box 183
Richmond, TX 77406-0183

Person to Contact:
Barbara Mitchell

Telephone Number:
(214) 767-6023

Refer Reply to:
Mail Code 4940 DAL

Date:
February 29, 1996

Employer Identification Number:
76-0032451

Dear Sir or Madam:

Our records show that Fort Bend County Womens Center, Inc. is exempt from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code. This exemption was granted November 1982 and remains in full force and effect. Contributions to your organization are deductible in the manner and to the extent provided by section 170 of the Code.

We have classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Internal Revenue Code because you are an organization described in section 170(b)(1)(A)(vi).

This letter may be used to verify tax-exempt status.

If we may be of further assistance, please contact the person whose name and telephone number are shown above.

Sincerely Yours,

Wanda K. Mann

Wanda K. Mann
Manager, Employee Plans
and Exempt Organizations
Customer Service Section

**FORT BEND COUNTY
WOMEN'S CENTER, INCORPORATED**

ANNUAL FINANCIAL REPORT

December 31, 2012

FORT BEND COUNTY WOMEN’S CENTER, INCORPORATED
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Independent Auditors' Report

Board of Directors
Fort Bend County Women's Center, Incorporated
Fort Bend County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Fort Bend County Women's Center, Incorporated (the "Center") (a nonprofit organization), as of December 31, 2012, which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, 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 Fort Bend County Women's Center as of December 31, 2012, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of functional expenses on pages 16 and 17, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, in a separately bound report, our report dated June 25, 2013, on our consideration of the 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 Center's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Fort Bend County Women's Center 2011 financial statements, and our report dated May 22, 2012 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Whitley Penn LLP

Houston, Texas
June 25, 2013

BASIC FINANCIAL STATEMENTS

FORT BEND COUNTY WOMEN'S CENTER, INCORPORATED
STATEMENT OF FINANCIAL POSITION

| | December 31, | |
|--|---------------------|---------------------|
| | 2012 | 2011 |
| Assets | | |
| Cash and cash equivalents | \$ 291,870 | \$ 149,389 |
| Receivables - grants and other | 188,138 | 153,405 |
| Inventory | 185,661 | 173,112 |
| Prepaid expenses | 71,715 | 38,884 |
| Restricted cash | 313,647 | 179,586 |
| Unconditional promises to give - building capital campaign | 1,125,000 | - |
| Property and equipment (net of depreciation) | 1,724,471 | 1,833,674 |
| Other assets | 7,915 | 221 |
| Total Assets | \$ 3,908,417 | \$ 2,528,271 |
| Liabilities | | |
| Accounts payable | \$ 35,013 | \$ 19,991 |
| Accrued expenses | 49,413 | 68,770 |
| Notes payable | - | - |
| Deferred revenues | 25,005 | - |
| Total Liabilities | 109,431 | 88,761 |
| Net Position | | |
| Unrestricted | 2,132,547 | 2,259,924 |
| Temporarily restricted | 1,666,439 | 179,586 |
| Total Net Position | 3,798,986 | 2,439,510 |
| Total Liabilities and Net Position | \$ 3,908,417 | \$ 2,528,271 |

See Notes to the Financial Statements.

FORT BEND COUNTY WOMEN'S CENTER, INCORPORATED**STATEMENT OF ACTIVITIES***For The Year Ended December 31, 2012**With comparative amounts for the year ended December 31, 2011*

| | Unrestricted | Temporarily Restricted | Totals | |
|--|---------------------|-----------------------------------|---------------------|---------------------|
| | | | 2012 | 2011 |
| Revenues and Other Support | | | | |
| Donations | \$ 255,885 | \$ 248,461 | \$ 504,346 | \$ 532,369 |
| Building capital campaign contributions | - | 1,500,000 | 1,500,000 | - |
| United Way | 162,694 | - | 162,694 | 203,932 |
| State and other grants | 226,927 | - | 226,927 | 319,219 |
| Federal financial assistance | 1,424,333 | - | 1,424,333 | 1,672,855 |
| In-kind donations | 14,481 | - | 14,481 | 22,736 |
| Fundraisers | 572,285 | 82,511 | 654,796 | 593,952 |
| Contributions of merchandise for resale | 1,426,796 | - | 1,426,796 | - |
| Resale centers revenue | 1,421,561 | - | 1,421,561 | 1,435,338 |
| Less value of contributed merchandise sold | (1,414,247) | - | (1,414,247) | - |
| Interest | 509 | - | 509 | 674 |
| Other | 5,399 | - | 5,399 | 413 |
| | <u>344,119</u> | <u>(344,119)</u> | <u>-</u> | <u>-</u> |
| Total Revenue and Other Support | <u>4,440,742</u> | <u>1,486,853</u> | <u>5,927,595</u> | <u>4,781,488</u> |
| Expenses | | | | |
| Program services: | | | | |
| Shelter | 1,180,353 | - | 1,180,353 | 1,394,793 |
| Aftercare | 1,532,497 | - | 1,532,497 | 1,869,737 |
| Supporting: | | | | |
| General and administrative | 315,591 | - | 315,591 | 259,633 |
| Fundraising | 356,890 | - | 356,890 | 335,216 |
| Resale centers | <u>1,182,788</u> | <u>-</u> | <u>1,182,788</u> | <u>1,008,147</u> |
| Total Expenses | <u>4,568,119</u> | <u>-</u> | <u>4,568,119</u> | <u>4,867,526</u> |
| Change in Net Position | (127,377) | 1,486,853 | 1,359,476 | (86,038) |
| Net Position, Beginning of Year | <u>2,259,924</u> | <u>179,586</u> | <u>2,439,510</u> | <u>2,525,548</u> |
| Net Position, End of Year | <u>\$ 2,132,547</u> | <u>\$ 1,666,439</u> | <u>\$ 3,798,986</u> | <u>\$ 2,439,510</u> |

See notes to the financial statements.

FORT BEND COUNTY WOMEN'S CENTER, INCORPORATED**STATEMENT OF CASH FLOWS**

| | December 31, | |
|---|---------------------|-------------------|
| | 2012 | 2011 |
| Cash (Used)/Provided by Operating Activities | | |
| Increase in net assets | \$ 1,359,476 | \$ (86,038) |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: | | |
| Depreciation | 136,882 | 136,558 |
| Change in thrift store inventory | (12,549) | 36,506 |
| Change in receivables | (34,733) | 52,068 |
| Change in prepaid expenses | (32,831) | 26,047 |
| Change in unconditional promises to give - building capital campaign | (1,125,000) | - |
| Change in other assets | (7,694) | (221) |
| Change in accounts payable and accrued expenses | (4,335) | (16,670) |
| Change in deferred revenues | 25,005 | - |
| Net Cash (Used)/Provided by Operating Activities | 304,221 | 148,250 |
| Cash Used by Investing Activities | | |
| Net acquisitions of property and equipment | (27,679) | (77,468) |
| Net Cash Used by Investing Activities | (27,679) | (77,468) |
| Increase/(Decrease) in Cash and Cash Equivalents | 276,542 | 70,782 |
| Cash and Cash Equivalents, Beginning of Year | 328,975 | 258,193 |
| Cash and Cash Equivalents, End of Year | \$ 605,517 | \$ 328,975 |
| Cash and Cash Equivalents at Year-End | | |
| Cash and cash equivalents, unrestricted | \$ 291,870 | \$ 149,389 |
| Cash and cash equivalents, restricted | 313,647 | 179,586 |
| Total | \$ 605,517 | \$ 328,975 |

See Notes to the Financial Statements.

FORT BEND COUNTY WOMEN'S CENTER, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS

A. Nature of Activities

Fort Bend County Women's Center, Incorporated (the "Center") is a Texas nonprofit corporation without capital stock, incorporated under the Texas Non-Profit Corporation Act in 1980. The Center serves the needs of survivors of domestic violence and sexual assault and their children by providing emergency shelter, crisis intervention, counseling, support services and educational outreach.

The Center is supported primarily through donor contributions, federal and state grants, United Way and the PennyWise Resale Centers. The Resale Centers provide additional revenues and support for the core operations of the Center.

B. Summary of Significant Accounting Policies

Contributions

In accordance with SFAS No 116, "Accounting for Contributions Received and Contributions Made," contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions. Contributions are recorded at fair value.

Promises to Give

Contributions are recognized when the 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 unrestricted net assets if the restrictions expire in the year in which the contributions are received. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, restricted net assets are reclassified to unrestricted net assets. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Receivables

Receivables include those from grants, pledges and contributions. Receivables at December 31, 2012, are due within the year. Additionally, the Center believes that all such receivables are collectible and, therefore, an allowance for uncollectible accounts is not considered necessary.

Contributed Services

During the year ended December 31, 2012, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Center, but these services do not meet the criteria for recognition as contributed services. The Center received more than 33,460 volunteer hours in 2012.

Estimates

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

FORT BEND COUNTY WOMEN'S CENTER, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*

B. Summary of Significant Accounting Policies (continued)

Compensated Absences

During the year, employees of the Center are entitled to paid vacation and sick days, depending on job classification, length of service, and other factors. Any vacation not taken in the year it is earned may be rolled over to the following year only with the written permission of the Executive Director. If no permission is offered, vacation earned but not taken in the year it is offered will be lost. However, the Center does allow for a carry-forward of up to five days of sick leave after year-end. Carryover requests must be in writing and approved by the Executive Director. The policy further states that, upon termination, an employee will not be compensated for sick leave that has been carried forward from previous years or accrued in the current year.

Property and Equipment

It is the Center's policy to capitalize property and equipment over \$2,000. Purchases of lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as unrestricted contributions, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives as follows:

| | |
|-------------------------|------------|
| Buildings | 31.5 years |
| Building improvements | 31.5 years |
| Vehicles | 5 years |
| Furniture and equipment | 5 years |

A summary of the Center's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Basis of Presentation and Accounting

In accordance with generally accepted accounting principles, the financial statements have been prepared on the accrual basis and, accordingly, reflect all significant receivables, payables and other liabilities.

The Center's financial statements are prepared in accordance with the Financial Accounting Standards Board Financial Accounting Standards (SFAS) Statement Number 117, *Financial Statements of Not-for-profit Organizations*. Under SFAS No. 117, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Center is required to present a statement of activities, statement of changes in net assets and a statement of cash flows.

FORT BEND COUNTY WOMEN'S CENTER, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

B. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center considers petty cash, cash in checking accounts, savings accounts and money market accounts to be cash equivalents. The carrying amount reported in the statement of financial position approximates fair value because of the short maturities of those instruments.

Inventory

The majority of inventory, which consists of various donated items such as clothing, household goods, furniture, computers, and toys, are held for sale at the Resale Centers. The Centers receive this inventory from donors as contributed items for its thrift stores to sell to the public. Since there is no cost to the Center, inventory is stated at fair market value determined by the estimated price at which the item can be sold on the date of the donation. Contribution Revenue is recognized when the donated items are received and the inventory recorded. When the donated items are sold, the sales revenues are recorded and the fair value of the inventory sold is recorded as value of contributed merchandise sold. Changes in year-end inventory amounts are recorded as additional sales revenue or cost of goods sold, as appropriate.

Functional Allocation of Expenses

The costs of providing the Center's programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Included in the functional expenses are the costs incurred for the resale centers. Net proceeds from the resale centers help to fund program expenses and, therefore, resale center expenses are not considered administrative costs.

Income Taxes

The Center qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for federal income taxes is made in the financial statements. Additionally, contributions made to the Women's Center qualify for the charitable contribution deduction under the provisions of the Internal Revenue Code. The Center is not a private foundation under provisions of the Internal Revenue Code. The Center has no unrelated business activity that would require it to file a 990T and pay income taxes. The Center believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Fair Value of Financial Instruments

The carrying value of cash, receivables and payables approximates fair value due to the short maturity of these instruments. The Center does not have any financial instruments held for trading purposes.

Management did not elect the fair value option for its financial liabilities, which were all eligible for the fair value option, since those instruments were not affected by changes in management's risk management and investment strategy.

FORT BEND COUNTY WOMEN'S CENTER, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS (continued)

B. Summary of Significant Accounting Policies (continued)

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2011, from which the summarized information was derived.

C. Cash and Cash Equivalents

At December 31, 2012 and 2011, cash and cash equivalents consisted of the following:

| | 2012 | 2011 |
|-----------------------------|-------------------|-------------------|
| Petty cash | \$ 3,600 | \$ 3,600 |
| Checking accounts | 446,158 | 152,349 |
| Money market account | 148,415 | 160,709 |
| Schwab money market account | 7,344 | 12,317 |
| | <u>\$ 605,517</u> | <u>\$ 328,975</u> |

Cash and cash equivalents are reported in the statement of financial position as follows:

| | 2012 | 2011 |
|-------------------|-------------------|-------------------|
| Restricted cash | \$ 313,647 | \$ 179,586 |
| Unrestricted cash | 291,870 | 149,389 |
| Total Cash | <u>\$ 605,517</u> | <u>\$ 328,975</u> |

D. Receivables - Grants and others

The Center's receivables consist of amounts due primarily from granting agencies. On occasion, the Center's other receivables from normal operations may consist of donor-executed pledges. The Center had \$188,138 in grants and pledges receivable at December 31, 2012. The carrying amount reported in the statement of financial position approximates fair value because of the short-term nature of the receivables.

Building Capital Campaign

In 2011, the Center's Board of Directors engaged in a financial sustainability Strategic Planning exercise, specifically with the goal of providing for full funding for essential programs into the future. In the current economic environment, it may be anticipated that government and, to some extent, corporate support will dwindle. Therefore this Strategic Plan's goal is to create new or increasing sources of income by building a new, larger PennyWise Resale Center to replace the current leased Richmond, TX, location. The 25,000 square foot building will also have space to house the Center's administrative offices, which are now located in rented office space, thus saving a significant amount of rental expense each year. The Center started a Building Capital Campaign and solicited potential donors to raise the capital needed to construct the building. The Center in the year ended December 31, 2012, received pledges of \$1.5 million toward this capital project from various donors.

The Center as of December 31, 2012 had \$1,125,000 pledged receivables for the Center's new building capital campaign. The Center has received \$775,000 of the amount through June 2013 and the remainder of the amounts are expected to be fully collected during the following year.

FORT BEND COUNTY WOMEN'S CENTER, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS (continued)

E. Property and Equipment

Property and equipment consist of the following:

| | <u>December 31, 2011</u> | <u>Additions</u> | <u>Adjustments/ Retirements</u> | <u>December 31, 2012</u> |
|---------------------------|--------------------------|---------------------|-------------------------------------|--------------------------|
| Non-depreciable: | | | | |
| Land | \$ 86,180 | \$ - | \$ - | \$ 86,180 |
| Construction in Progress | 18,600 | - | - | 18,600 |
| Depreciable: | | | | |
| Building and improvements | 2,361,792 | - | - | 2,361,792 |
| Vehicles | 180,403 | - | - | 180,403 |
| Furniture and fixtures | 456,983 | 27,679 | - | 484,662 |
| | 3,103,958 | 27,679 | - | 3,131,637 |
| Accumulated depreciation | (1,270,284) | (136,882) | - | (1,407,166) |
| | <u>\$ 1,833,674</u> | <u>\$ (109,203)</u> | <u>\$ -</u> | <u>\$ 1,724,471</u> |

Depreciation expense for the years ended December 31, 2012 and 2011, was \$136,882 and \$136,558, respectively.

F. Line-of-Credit

On January 25, 2013, the Center renewed the revolving line of credit agreement with Encore Bank to provide short-term financing, as needed. This line of credit is \$250,000, secured by real estate owned by the Center and carrying a variable interest rate of prime plus 1%, not to exceed the maximum rate allowed by law. Interest is due monthly and is calculated on a 365/360 basis. This agreement matured on January 25, 2013 and is extended to January 25, 2014.

G. Lease Agreements

On October 1, 2000, the Center executed a ten-year lease for the use of commercial property for its Resale Center operations in Richmond. As of October 1, 2010, this lease is on a month-to-month basis. Current lease payments are \$6,412.50 per month. On December 29, 2008, the Center executed a five-year lease for the use of commercial property for its Resale Center operation in Stafford ending on October 31, 2013. Current lease payments are \$8,250.00 per month. On August 31, 2007, the Center executed a five-year lease for use of commercial property for its Resale Center operations in Houston ending on December 31, 2012. Current lease payments are \$9,157.00 per month.

On February 6, 2009, the Center executed a lease agreement for the use of an apartment unit. On June 1, 2011, the Center signed a lease with an ending date of June 30, 2012. Current lease payments are \$941.00 per month. On June 11, 2012, the Center executed a new lease agreement with an ending date of June 30, 2013 with a monthly lease payment of \$775.00. The Center uses this unit as office space to service clients in its program. On March 27, 2012, the Center signed a shopping center lease agreement for the Donation Center with a one-year initial term subject to two three-year extension options. The current lease payment is \$2,099.00 per month including Common Area Maintenance (CAM).

FORT BEND COUNTY WOMEN'S CENTER, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS (continued)

G. Lease Agreements (continued)

In March 2010, the Center entered into a three-year lease agreement for its administrative office. The current lease payment is \$1,100 per month. United Way has also donated a portion of its office space to the Center for client counseling and case management. The operating base value associated with leasing this office space in 2012 was \$14,481. This value is reported in the financial statements as in-kind revenue and as lease expense.

Future annual payments for operating leases are shown below:

| | |
|------|------------------|
| 2013 | 99,845 |
| | <u>\$ 99,845</u> |

The operating lease expense for 2012 and 2011 totaled \$330,351 and \$328,001, respectively.

H. Unrestricted Net Assets

Unrestricted net assets include unrestricted resources available for the Center to serve the needs of survivors of domestic violence and sexual assault and their children by providing emergency shelter, crisis intervention, counseling, support services and educational outreach. The unrestricted net asset amounts available for future operations, at December 31, 2012 and 2011, were \$2,132,547 and \$2,259,924, respectively.

I. Temporarily Restricted Net Assets

Temporarily restricted net assets include grants for specific projects managed by the Center, such as contributions restricted by donors for specific purposes and contributions received for fundraising events in 2012. The temporarily restricted net assets at December 31, 2012 and 2011, were \$1,666,439 and \$179,586, respectively. The amounts that make up the temporarily restricted net assets are as follows:

| | <u>2012</u> | <u>2011</u> |
|---|---------------------|-------------------|
| Oyo-Geospace | \$ - | \$ 1,298 |
| Pennywise Building capital campaign | 1,456,614 | - |
| Sugar Land Garden Club | 974 | 870 |
| Sunshine Lady | - | 1,468 |
| Swalm Foundation | 4,830 | 4,830 |
| George Foundation - next year | 107,057 | 98,550 |
| Simmons Foundation - next year | - | 25,000 |
| Horizon | 1,000 | - |
| Fort Bend JSL | 10,000 | - |
| Boogie - next year | 18,135 | 35,710 |
| Giggle - next year | 49,376 | 3,280 |
| Music Fest - next year | 15,000 | 5,000 |
| Other | 3,453 | 3,580 |
| Total Temporarily Restricted Net Assets | <u>\$ 1,666,439</u> | <u>\$ 179,586</u> |

FORT BEND COUNTY WOMEN'S CENTER, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS (continued)

J. Resale Centers

The Net Revenue (revenue and contributions less cost of merchandise sold and value of contributed merchandise sold) from the operations of the Resale Centers are as follows:

| | <u>2012</u> | <u>2011</u> |
|---|--------------------------|--------------------------|
| Resale Centers Revenue | | |
| Sales of Donated Merchandise | \$ 1,417,342 | \$ 1,458,294 |
| Sales of New Merchandise | 2,448 | 12,253 |
| Other receipts - donations | 1,771 | 1,307 |
| Contributions of Donated Merchandise Received | <u>1,426,796</u> | <u>1,441,377</u> |
| Total Resale Centers Revenue and Contributions | <u>2,848,357</u> | <u>2,913,231</u> |
| Cost of Sales and Value of Merchandise Sold | | |
| Less: Cost of Sales New Merchandise | (2,573) | (8,555) |
| Less: Value of Contributed Merchandise Sold | <u>(1,411,674)</u> | <u>(1,469,338)</u> |
| Total Cost of Sales and Value of Merchandise Sold | <u>(1,414,247)</u> | <u>(1,477,893)</u> |
| Net Revenue from Resale Centers | 1,434,110 | 1,435,338 |
| Cost of operations-Resale Centers | <u>1,182,788</u> | <u>1,008,147</u> |
| Income from Resale Centers | <u><u>\$ 251,322</u></u> | <u><u>\$ 427,191</u></u> |

K. Defined Contribution Plan

The Center offers its full-time employees a 403(b) annuity plan for purposes of saving for their retirement. The plan is funded through employee contributions. Effective January 1, 2012, the Center has temporarily suspended the employer matching portion of 403(b) contributions. The plan's match contribution formula is discretionary. If the matching is implemented again, the Center will match 50% of the employee's contributions up to 1% of the employee's salary. The vesting period is on a six-year grading scale as follows:

| |
|----------------|
| 2 years – 20% |
| 3 years – 40% |
| 4 years – 60% |
| 5 years – 80% |
| 6 years – 100% |

L. Contingencies

The Center, because of its activities, is subject to various claims and litigations. In the opinion of management, the outcome of such matters will not have a material effect on the financial position of the Center. The Center's risk management policy is to maintain adequate insurance through commercial carriers for the various liability exposures.

M. Concentrations of Credit Risk

The Center receives approximately 37% of its support from federal and state grant programs. Since these are federal and state programs subject to changes, it is possible that these programs could cease, which would cause a severe impact on the Center and its ability to continue operations. The Center does not expect, in any way, that the support from these grant programs will be lost in the near term.

FORT BEND COUNTY WOMEN'S CENTER, INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS (continued)

M. Concentrations of Credit Risk (continued)

The Center has financial instruments which potentially subject the Center to concentration of credit risk consisting principally of cash deposited at banks and money market accounts. Accounts at each institution in which cash is deposited are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Center places its cash with various financial institutions in the area to limit the amount of credit exposure to any one financial institution. In 2006, the Finance Committee made it a policy to perform an analysis at least annually for any banks in which they have, or anticipate having in the foreseeable future, funds on deposit which may be greater than the amount of the FDIC insurance. The Center's Schwab accounts are insured by Securities Investor Protection Corporation up to \$500,000.

N. Subsequent Events

Management has evaluated subsequent events through June 25, 2013, the date on which the financial statements were available to be issued. Subsequent events include the line-of-credit agreement which is discussed in Note F. This event has no significant effect on the financial statements for the period ending December 31, 2012.

SUPPLEMENTAL INFORMATION

FORT BEND COUNTY WOMEN'S CENTER, INCORPORATED**SCHEDULE OF FUNCTIONAL EXPENSES****For the Year Ended December 31, 2012****With comparative amounts for the year ended December 31, 2011**

| Expense | Program Services | | Total Program Services |
|---|----------------------------|----------------------------|---------------------------------------|
| | Shelter | Aftercare | |
| Compensation and related expenses: | | | |
| Compensation | \$ 717,647 | \$ 627,786 | \$ 1,345,433 |
| Payroll taxes | 47,919 | 41,841 | 89,760 |
| Health insurance/worker's compensation | 111,589 | 81,898 | 193,487 |
| Total Compensation and related expenses | <u>877,155</u> | <u>751,525</u> | <u>1,628,680</u> |
| Auto expense | 19,930 | 4,467 | 24,397 |
| Communication | 17,776 | 5,324 | 23,100 |
| Conferences, training and travel | 2,287 | 9,498 | 11,785 |
| Contract labor | - | - | - |
| Equipment purchases | 2,085 | 1,509 | 3,594 |
| Fundraising | - | - | - |
| Insurance: | | | |
| General liability | 12,836 | 3,195 | 16,031 |
| Officers and directors | 1,656 | 1,103 | 2,759 |
| Property | 6,031 | 1,045 | 7,076 |
| Other | - | - | - |
| Lease expense | 3,617 | 26,824 | 30,441 |
| Maintenance and repairs | 23,018 | 5,058 | 28,076 |
| Membership and club dues | 2,000 | - | 2,000 |
| Miscellaneous | 1,366 | 5,493 | 6,859 |
| Office and operating supplies | - | - | - |
| Postage and shipping | 290 | 813 | 1,103 |
| Printing and reproduction | 896 | 900 | 1,796 |
| Professional fees | 20,495 | 6,865 | 27,360 |
| Program expenses | 50,965 | 686,997 | 737,962 |
| Utilities | 38,194 | 9,702 | 47,896 |
| Total expenses before depreciation | <u>1,080,597</u> | <u>1,520,318</u> | <u>2,600,915</u> |
| Depreciation | <u>99,756</u> | <u>12,179</u> | <u>111,935</u> |
| Total Expenses | <u><u>\$ 1,180,353</u></u> | <u><u>\$ 1,532,497</u></u> | <u><u>\$ 2,712,850</u></u> |

| Supporting Services | | Total Supporting Services | Resale Centers | Grand Total 12/31/12 | Grand Total 12/31/11 |
|---|--------------------|--|---------------------------|-------------------------------------|-------------------------------------|
| General and Administrative | Fundraising | | | | |
| \$ 218,918 | \$ 189,319 | \$ 408,237 | \$ 541,578 | \$ 2,295,248 | \$ 2,347,456 |
| 22,998 | 14,389 | 37,387 | 48,412 | 175,559 | 176,510 |
| 33,137 | 9,116 | 42,253 | 68,783 | 304,523 | 392,150 |
| <u>275,053</u> | <u>212,824</u> | <u>487,877</u> | <u>658,773</u> | <u>2,775,330</u> | <u>2,916,116</u> |
| 192 | - | 192 | 27,639 | 52,228 | 41,003 |
| 3,752 | 4,321 | 8,073 | 9,824 | 40,997 | 46,288 |
| 3,559 | 2,497 | 6,056 | 5,054 | 22,895 | 26,409 |
| - | - | - | - | - | 9,691 |
| - | - | - | 1,136 | 4,730 | 5,041 |
| - | 95,108 | 95,108 | 60 | 95,168 | 101,697 |
| 137 | - | 137 | 11,702 | 27,870 | 25,029 |
| 333 | 221 | 554 | 1,822 | 5,135 | 5,048 |
| 165 | - | 165 | 1,682 | 8,923 | 9,318 |
| - | - | - | - | - | 251 |
| 15,130 | 224 | 15,354 | 284,557 | 330,352 | 328,001 |
| - | - | - | 6,837 | 34,913 | 29,144 |
| 2,358 | 300 | 2,658 | 212 | 4,870 | 4,493 |
| 2,999 | 2,907 | 5,906 | 22,367 | 35,132 | 36,914 |
| 2,269 | 3,466 | 5,735 | 45,583 | 51,318 | - |
| 534 | 6,106 | 6,640 | 174 | 7,917 | 8,582 |
| 978 | 14,048 | 15,026 | 2,369 | 19,191 | 22,136 |
| 3,246 | 14,345 | 17,591 | 9,292 | 54,243 | 23,900 |
| - | - | - | - | 737,962 | 960,092 |
| 4,115 | - | 4,115 | 70,052 | 122,063 | 131,815 |
| <u>314,820</u> | <u>356,367</u> | <u>671,187</u> | <u>1,159,135</u> | <u>4,431,237</u> | <u>4,730,968</u> |
| 771 | 523 | 1,294 | 23,653 | 136,882 | 136,558 |
| <u>\$ 315,591</u> | <u>\$ 356,890</u> | <u>\$ 672,481</u> | <u>\$ 1,182,788</u> | <u>\$ 4,568,119</u> | <u>\$ 4,867,526</u> |