

**FAMILY VIOLENCE PREVENTION
SERVICES, INC.**

Financial Statements and Additional Information

June 30, 2016 and 2015

With Independent Auditors' Report Thereon

FAMILY VIOLENCE PREVENTION SERVICES, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Family Violence Prevention Services, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Family Violence Prevention Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Family Violence Prevention Services, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

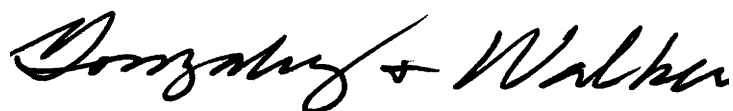
Other Matters

Additional Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards (Schedule 3, page 23), presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and the accompanying Schedules 1 and 2 (pages 21 and 22) are not a required part of the basic 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 basic 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 financial information is fairly presented in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2016 on our consideration of Family Violence Prevention Services, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



September 27, 2016

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Statements of Financial Position

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 2,595,568	2,629,579
Grants receivable	275,646	209,326
Unconditional promises to give	870,219	923,677
Accounts receivable	6,797	50,145
Prepaid expenses	19,165	15,923
Deposits	<u>6,939</u>	<u>6,650</u>
Total current assets	3,774,334	3,835,300
Land, buildings and equipment, at cost, less accumulated depreciation of \$5,536,334 in 2016 and \$5,341,593 in 2015	<u>6,401,959</u>	<u>6,098,299</u>
Total assets	<u>\$ 10,176,293</u>	<u>9,933,599</u>

See accompanying notes to financial statements.

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Statements of Financial Position

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Current liabilities:		
Accounts payable	\$ 23,633	425,507
Accrued expenses	123,814	108,738
Notes payable	11,337	9,183
Deferred revenue	<u>22,689</u>	<u>17,021</u>
Total current liabilities	<u>181,473</u>	<u>560,449</u>
Net assets:		
Unrestricted	8,407,481	7,006,042
Temporarily restricted	1,008,241	1,785,944
Permanently restricted	<u>579,098</u>	<u>581,164</u>
Total net assets	<u>9,994,820</u>	<u>9,373,150</u>
Total liabilities and net assets	<u>\$ 10,176,293</u>	<u>9,933,599</u>

See accompanying notes to financial statements.

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Statement of Activities

Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and other support:				
Contributions	\$ 1,917,888	185,398	13,215	2,116,501
Special events. Net	106,643	-	-	106,643
United Way allocations	-	870,219	-	870,219
Grants from governmental agencies	2,778,178	-	-	2,778,178
Program revenue	293,322	-	-	293,322
Net assets released from restrictions	1,851,894	(1,836,613)	(15,281)	-
Interest income	4,758	3,293	-	8,051
Gain on disposal of assets	118,532	-	-	118,532
Total revenues and other support	<u>7,071,215</u>	<u>(777,703)</u>	<u>(2,066)</u>	<u>6,291,446</u>
Expenses:				
Program services	4,953,066	-	-	4,953,066
Supporting services	716,711	-	-	716,711
Total expenses	<u>5,669,777</u>	<u>-</u>	<u>-</u>	<u>5,669,777</u>
Change in net assets	<u>1,401,438</u>	<u>(777,703)</u>	<u>(2,066)</u>	<u>621,669</u>
Net assets, beginning	<u>7,006,043</u>	<u>1,785,944</u>	<u>581,164</u>	<u>9,373,151</u>
Net assets, ending	<u>\$ 8,407,481</u>	<u>1,008,241</u>	<u>579,098</u>	<u>9,994,820</u>

See accompanying notes to financial statements.

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Statement of Activities

Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and other support:				
Contributions	\$ 1,596,501	25,000	12,774	1,634,275
Special events, net	109,957	-	-	109,957
United Way allocations	-	843,677	-	843,677
Grants from governmental agencies	2,187,278	-	-	2,187,278
Program revenue	161,540	-	-	161,540
Net assets released from restrictions	1,990,387	(1,990,387)	-	-
Interest income	6,731	2,974	-	9,705
Other	61,872	-	-	61,872
Total revenues and other support	<u>6,114,266</u>	<u>(1,118,736)</u>	<u>12,774</u>	<u>5,008,304</u>
Expenses:				
Program services	4,678,455	-	-	4,678,455
Supporting services	930,761	-	-	930,761
Total expenses	<u>5,609,216</u>	<u>-</u>	<u>-</u>	<u>5,609,216</u>
Change in net assets	<u>505,050</u>	<u>(1,118,736)</u>	<u>12,774</u>	<u>(600,912)</u>
Net assets, beginning	<u>6,500,993</u>	<u>2,904,680</u>	<u>568,390</u>	<u>9,974,063</u>
Net assets, ending	<u>\$ 7,006,043</u>	<u>1,785,944</u>	<u>581,164</u>	<u>9,373,151</u>

See accompanying notes to financial statements.

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Statement of Functional Expenses

Year Ended June 30, 2016

	Program Services								Supporting Services				
	Shelter/ Transitional/ Outreach	Counseling Center	Legal Services	Community Based Counseling	Substance Abuse/ Indicated Program	Batterers Intervention	Drug Court Programs	Celebrating Families/ Helping Hands	Total	Development and Campaign	Management and General	Total	Total
Salaries	\$ 1,138,805	459,362	310,731	381,667	228,566	128,829	86,100	257,091	2,991,151	188,833	311,377	500,210	3,491,361
Health, workers' compensation and other insurance	44,500	17,250	5,513	10,060	7,948	4,561	3,133	5,312	98,277	3,879	21,690	25,569	123,846
Payroll taxes	96,813	38,170	26,341	32,869	18,850	10,623	7,094	22,542	253,302	14,978	22,828	37,806	291,108
Total salaries and related expenses	1,280,118	514,782	342,585	424,596	255,364	144,013	96,327	284,945	3,342,730	207,690	355,895	563,585	3,906,315
Professional fees	35,358	8,756	4,157	6,535	5,869	50,323	3,048	20,346	134,392	4,806	36,825	41,631	176,023
Specific assistance	161,515	3	2,835	57,853	-	-	-	-	222,206	-	-	-	222,206
Printing and publications	358	-	774	171	-	55	-	-	1,358	201	181	382	1,740
Mailing and postage	3,779	1,279	4	21	-	959	-	320	6,362	271	1,994	2,265	8,627
Supplies	243,480	24,292	8,502	17,221	10,690	13,538	2,667	26,163	346,553	6,331	18,753	25,084	371,637
Telephone	56,850	6,769	2,873	144	6,921	4,799	2,985	4,083	85,424	-	10,259	10,259	95,683
Occupancy	256,229	29,313	-	10,594	12,100	17,288	-	55,159	380,683	1,443	4,895	6,338	387,021
Dues and subscriptions	18,862	761	566	3,267	79	691	-	537	24,763	1,159	27,463	28,622	53,385
Educational conferences and meetings	1,457	2,852	2,730	70	4,163	2,301	-	541	14,114	-	4,946	4,946	19,060
Transportation	18,833	2,273	10,333	6,109	12,794	1,747	2,050	2,268	56,407	1,935	10,064	11,999	68,406
Insurance	45,105	4,448	590	844	2,105	3,449	-	410	56,951	3,943	6,502	10,445	67,396
Other expenses	-	-	-	-	-	-	-	-	-	-	139	139	139
Total expenses before depreciation	2,121,944	595,528	375,949	527,425	310,085	239,163	107,077	394,772	4,671,943	227,779	477,916	705,695	5,377,638
Depreciation	248,099	22,008	-	-	-	11,016	-	-	281,123	-	11,016	11,016	292,139
Total expenses	\$ 2,370,043	617,536	375,949	527,425	310,085	250,179	107,077	394,772	4,953,066	227,779	488,932	716,711	5,669,777

See accompanying notes to financial statements

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Statement of Functional Expenses

Year Ended June 30, 2015

	Program Services								Supporting Services				
	Shelter/ Transitional/ Outreach	Counseling Center	Legal Services	Community Based Counseling	Substance Abuse/ Indicated Program	Batterers Intervention	Drug Court Programs	Haven for Hope	Total	Development and Campaign	Management and General	Total	Total
Salaries	\$ 1,115,588	528,539	274,670	178,635	219,421	239,548	46,902	149,496	2,752,799	221,507	303,095	524,602	3,277,401
Health, workers' compensation and other insurance	33,395	17,371	3,877	5,339	9,519	3,865	2,654	3,086	79,106	7,789	10,806	18,595	97,701
Payroll taxes	93,828	41,867	21,914	14,201	17,281	19,290	3,497	12,476	224,354	16,313	31,700	48,013	272,367
Total salaries and related expenses	1,242,811	587,777	300,461	198,175	246,221	262,703	53,053	165,058	3,056,259	245,609	345,601	591,210	3,647,469
Professional fees	10,740	20,123	-	5,198	7,053	51,978	38,583	1,734	135,409	68,684	61,703	130,387	265,796
Specific assistance	135,221	11,188	2,341	27,386	-	1,891	1,192	487	179,706	-	5,391	5,391	185,097
Printing and publications	-	332	145	-	-	-	-	-	477	8,419	1,129	9,548	10,025
Mailing and postage	1,678	1,401	480	-	16	1,292	-	-	4,867	8,799	1,572	10,371	15,238
Supplies	288,323	32,854	15,362	4,663	8,431	19,901	11,749	3,857	385,140	31,693	20,861	52,554	437,694
Telephone	30,276	9,122	3,534	830	6,624	9,184	4,058	64	63,692	2,026	7,960	9,986	73,678
Occupancy	219,005	52,530	33	-	12,186	33,292	20,333	10,560	347,939	2,621	3,920	6,541	354,480
Dues and subscriptions	21,329	1,623	1,949	4,335	1,130	2,062	1,452	1,033	34,913	12,826	14,128	26,954	61,867
Educational conferences and meetings	776	3,292	758	220	4,072	83	2,026	353	11,580	42,042	4,678	46,720	58,300
Transportation	25,627	1,763	7,468	4,709	14,473	2,670	3,505	1,792	62,007	4,022	8,266	12,288	74,295
Insurance	43,755	4,459	590	404	2,064	3,864	-	451	55,587	1,502	1,593	3,095	58,682
Gain/Loss on disposition of assets	-	-	-	-	-	-	-	-	-	3,150	11,550	14,700	14,700
Total expenses before depreciation	2,019,541	726,464	333,121	245,920	302,270	388,920	135,951	185,389	4,337,576	431,393	488,352	919,745	5,257,321
Depreciation	307,855	22,008	-	-	-	11,016	-	-	340,879	-	11,016	11,016	351,895
Total expenses	\$ 2,327,396	748,472	333,121	245,920	302,270	399,936	135,951	185,389	4,678,455	431,393	499,368	930,761	5,609,216

See accompanying notes to financial statements

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Statements of Cash Flows

Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ 621,669	(600,912)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	292,139	351,895
Gain on disposal of asset	(118,532)	-
(Increase) decrease in operating assets:		
Grants receivable	(66,320)	104,545
Unconditional promises to give	53,458	239,587
Accounts receivable	43,348	(42,986)
Prepaid expenses	(3,242)	(2,513)
Deposits	(289)	(4,211)
Increase (decrease) in operating liabilities:		
Accounts payable	(401,874)	373,751
Accrued expenses	15,076	5,548
Current portion of notes payable	2,154	(4,227)
Deferred revenue	5,668	(34,130)
	<u>443,255</u>	<u>386,347</u>
Cash flows from investing activities:		
Purchase of buildings and equipment	(602,111)	(1,456,081)
Proceeds from sale of assets	124,845	20,707
	<u>(477,266)</u>	<u>(1,435,374)</u>
Net increase (decrease) in cash	(34,011)	(1,049,027)
Beginning cash and cash equivalents	<u>2,629,579</u>	<u>3,678,606</u>
Ending cash and cash equivalents	\$ <u><u>2,595,568</u></u>	\$ <u><u>2,629,579</u></u>

See accompanying notes to financial statements.

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Notes to Financial Statements

June 30, 2016 and 2015

(1) Nature of Activities and Significant Accounting Policies

Nature of Activities

Family Violence Prevention Services, Inc. (the Center) provides victims of domestic violence with a place of safety and transition to self-sufficiency, as well as a non-shelter program of counseling and support for women, children, and families who are victims of domestic violence and in need of services but not shelter. The Center is funded primarily through individual and corporate contributions and grants from government and United Way.

The Board of Directors and management of the organization acknowledge that, to the best of their ability, all assets received have been used for the purpose for which they were contributed, or have been accumulated to allow management to conduct the operations of the organization as effectively as possible.

Description of Programs

Battered Women and Children's Shelter/Transitional and Outreach Services – Shelter and transitional housing services includes safe lodging, food, clothing, medical care and basic necessities. Counseling services include individual and group counseling focusing on self-esteem, personal assessment, goal setting, and family relationships. Casework services focus on financial needs, legal advocacy, housing and other assistance. Support services include educational workshops and classes covering a wide range of subjects: parent education classes focusing on child growth and development, how to provide a nurturing environment, effective discipline, etc.; a legal services program; nursery program for infants and toddlers; and a school age children's program designed to educate children and adolescents about the effects of alcohol and other drugs, to enhance their self esteem, to teach them healthy ways of identifying and expressing their feelings, and to educate them about the dynamics of family violence while giving them a safe place to talk about their experiences living in violent homes.

An important extension of the Shelter is the programming provided to ex-residents and battered women seeking services but not shelter. Included in this program are monthly educational workshops and classes, support groups (English and Spanish), information and referral services, medical assessment and primary care, legal clinic, emergency food, clothing and furniture assistance, counseling, and structured children's activities.

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Notes to Financial Statements

June 30, 2016 and 2015

(1) Nature of Activities and Significant Accounting Policies, (continued)

Description of Programs, (continued)

Counseling Center Services – The goal of this Center is to identify and treat the unique needs of victims of family violence. Individual, group, and family therapy is available. Support groups are provided for battered women, incest survivors in abusive relationships, former batterers, and children victimized by family violence.

Community Based Counseling Services/ Haven for Hope – These programs provide specialized counseling for homeless individuals in 12 agencies as well as Haven for Hope. Counseling is related to substance abuse, family violence, youth, grief and mourning.

Legal Services - This program provides free legal advice and representation in civil cases to Bexar County residents who are homeless, victims of crime living in a shelter or in transitional housing, or are in the military or are military dependents. Cases handled include divorce, child custody, protective orders, paternity orders, wills and estate planning, power of attorney, debt consolidation, landlord-tenant disputes and deed changes.

Substance Abuse/Indicated Program – Substance Abuse/Indicated Program targets adults and youth at risk of substance abuse, family violence, and/or homelessness. Services include individual, group, and family counseling, assessments, referrals and follow-ups. It also targets youth at risk of family violence, truancy, low school performance, depression and substance abuse.

P.O.W.E.R. (Providing Options with Educational Resources) - This program provides educational classes which enable battered women and children to obtain skills to help them move toward self-sufficiency. Classes offered are basic computer skills, financial empowerment and job readiness.

Batterers Intervention Services – This program provides a twenty-week psycho-educational approach for male and female abusers who are court mandated or court referred for family violence. The curriculum includes cognitive restructuring strategies and helps to build conflict resolution skills.

Helping Hands- Specialized groups are offered for domestic violence victims, their children, and perpetrators involved with Child Protective Services (CPS).

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Notes to Financial Statements

June 30, 2016 and 2015

(1) Nature of Activities and Significant Accounting Policies, (continued)

Description of Programs, (continued)

Court Liaison – The program works with courts to refer victims of domestic violence to professional intervention services and legal assistance.

Celebrating Families! Program – *Celebrating Families!* is an intergenerational family skills building curriculum proven to support and maintain recovery, improve the health and well-being of children and family members, and increase family reunification. The program strengthens family life and is comprehensive, developmentally appropriate, relevant for diverse cultures, and includes all family members.

The Middle Way Parenting Education Program – This program, whose curriculum was developed by the University of Texas at San Antonio’s School of Social Work, is offered both at the Battered Women and Children’s Shelter and to the Center’s non-residential clients. The ten-week structured curriculum focuses on helping parents recognize the impact of their own childhood experiences, and of domestic violence, on their parenting. An additional two weeks of sessions occur after the ten structured sessions conclude, to provide parents with the opportunity to continue to process their experiences, further strengthen their relationships with one another, and develop systems of ongoing support with other participants. The program is available for any victim of domestic violence, but is particularly targeted at Child Protective Services-involved clients and very young mothers.

Children’s Program – This program provides therapeutic educational activities and childcare to address generational violence.

Significant Accounting Policies

Estimates

The preparation 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.

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Notes to Financial Statements

June 30, 2016 and 2015

(1) Nature of Activities and Significant Accounting Policies, (continued)

Grants and Accounts Receivable

Grants and accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with clients having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. 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, temporarily restricted net assets are reclassified to unrestricted net assets.

Land, Buildings and Equipment

Land, buildings and equipment are recorded at cost. Donations of land, buildings and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets 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 temporarily restricted support. Absent donor stipulations regarding how long these 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. Buildings and equipment are depreciated using the straight-line method over their estimated useful lives.

Functional Allocation of Costs

The costs of providing the program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, costs are allocated to program and supporting expenses based on actual use or estimated use if actual use is not readily determinable.

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Notes to Financial Statements

June 30, 2016 and 2015

(1) Nature of Activities and Significant Accounting Policies, (continued)

Financial Statement Presentation

The Center's financial statements have been prepared on the accrual basis of accounting and current provisions applicable to nonprofit organizations.

Under these provisions, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Center's net assets and changes therein are classified and reported as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted – Net assets subject to temporary restrictions imposed by donors.

Permanently restricted – Net assets with the donor imposed stipulation that the assets be designated toward the creation of an endowment fund.

Grant Revenue Recognition

Funds restricted by the grantor for particular operating purposes are deemed to be earned and reported as revenues when the Center has incurred expenditures in compliance with the specific restrictions. Amounts received but not yet earned are reported as deferred revenue.

Contributions

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 in its many activities. There were 21,984 and 18,766 volunteer hours provided during the years ended June 30, 2016 and 2015 with an approximate fair value of \$219,840 and \$187,660, respectively.

Tax Status

The Center is exempt from federal income taxes under Sections 501(c) (3) and 509 (a) (2) of the Internal Revenue Code. The three fiscal years under the statute of limitations (June 30, 2016, 2015 and 2014) remain open and subject to examination by Federal jurisdictions.

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Notes to Financial Statements

June 30, 2016 and 2015

(1) Nature of Activities and Significant Accounting Policies, (continued)

Cash and Cash Equivalents

For purpose of the statement of cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Reclassification of Prior Year Amounts

Certain prior year amounts have been reclassified to conform to the current year presentation.

(2) Unconditional Promises to Give

Unconditional promises to give were as follows:

	<u>2016</u>	<u>2015</u>
United Way	\$ 870,219	843,677
Capital expenditures	-	65,000
Unrestricted	-	15,000
	<u>\$ 870,219</u>	<u>923,677</u>

All unconditional promises to give are due within one year.

(3) Land, Buildings and Equipment and Related Depreciation

Land, buildings and equipment are recorded at cost. Depreciation of buildings and equipment are provided on a straight-line basis over the estimated useful lives of the assets: buildings – were at 20 years prior to 2013, but has been changed to 35 years; furniture and equipment – 3-7 years and building and improvements – 7 years. Donated assets are recorded at their estimated fair market value at date of contribution. At June 30, the costs and donated value of such assets were as follows:

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Notes to Financial Statements

June 30, 2016 and 2015

(3) Land, Buildings and Equipment and Related Depreciation (continued)

	2016	2015
Land	\$ 480,929	485,427
Buildings	3,982,179	3,543,520
Building improvements	2,001,379	2,032,990
Buildings – new shelter	4,393,188	4,393,188
Furniture and equipment	906,440	810,589
Software	39,304	39,304
Transportation equipment	124,345	124,345
Leasehold improvements	10,529	10,529
Total cost	11,938,293	11,439,892
Less accumulated depreciation	5,536,334	5,341,593
Net land, buildings and equipment	\$ 6,401,959	6,098,299

Expenditures in excess of \$5,000, for all assets that materially extend useful lives or increase values or capabilities are capitalized, whereas routine maintenance, repair, and replacement costs are charged against current income.

(4) Note Payable

The Center has the following note payable at June 30:

	2016	2015
Insurance premium financing, payable in monthly installment within one year.	\$ 11,337	9,183

(5) Unrestricted Net Assets – Designated by Board

The Board of Directors has declared \$1,000,000 of unrestricted net assets to be designated as a three months' operating reserve.

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Notes to Financial Statements

June 30, 2016 and 2015

(6) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	2016	2015
Capital campaign	\$ 134,109	215,375
United Way allocations	870,219	843,677
Transitional Housing	-	696,541
Printing and Tuition Assistance	620	15,070
Endowment interest	3,293	15,281
	\$ 1,008,241	1,785,944

Net assets released from restrictions consisted of the following:

Released due to the expiration of time restrictions - United Way allocation	\$ 843,677
Released by incurring expenses satisfying the related restrictions	<u>992,936</u>
Total released	\$ <u>1,836,613</u>

(7) Permanently Restricted Net Assets

Permanently restricted net assets at June 30 consisted of the following:

	2016	2015
Reserved Endowment Fund:		
Beginning balance	\$ 581,164	568,390
Contributions	13,215	12,774
Expenses	(15,281)	-
Ending balance	\$ 579,098	581,164

Each year the Center has the right to distributions of the net income from the fund to be used exclusively for expenses related to its programs. Endowment interest income is included in temporarily restricted net assets and is further described in Note 6.

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Notes to Financial Statements

June 30, 2016 and 2015

(7) Permanently Restricted Net Assets (continued)

Interpretation of Relevant Law

Management has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the state of Texas, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as permanently restricted net assets (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 in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Center 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 Center and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Center
- (7) The investment policies of the Center

(8) Economic Dependency

The revenues earned by the Center depend on the availability of funds generated by federal, state and local governments to assist victims of domestic violence. Contracts with funding agencies are renegotiated on an annual basis and represent approximately 44% of the total revenues and other support of the organization. Final determination of eligibility of costs will be made by the funding agencies. Should any costs be found ineligible, the Center will be responsible for reimbursing the funding agencies for these amounts.

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Notes to Financial Statements

June 30, 2016 and 2015

(9) Concentrations of Credit Risk

Financial instruments which potentially subject the Center to credit risk consist principally of cash accounts and accounts receivables. The organization places its cash accounts at highly rated local banks in amounts that may exceed the federally insured limit of \$250,000.

Concentrations of credit risk with respect to accounts receivables are limited because such receivables result primarily from contracts with federal, state and local governments.

Historically, the Center has not incurred any credit related losses.

(10) Program Matching Requirements

Program matching requirements in connection with contracts with Texas Department of State Health Services and other agencies require minimum matching of approximately \$427,216. During the year ended June 30, 2016 the Center exceeded such requirements by using contributions from donors.

(11) Pension Plan

The Center offers a defined contribution retirement plan under Code Sec. 403(b). Under this arrangement, the Center has the option to match up to 3% of the employee deferrals. No contributions were made to the plan during 2016 or 2015.

(12) Texas Access to Justice Foundation Awards

The Center received three awards from Texas Access to Justice Foundation. The award for IOLTA and BCLS is for two years and CVCLS for one year. This is the first year of the two year grant award. The funding sources are as follows:

<u>Funding Source</u>	<u>Award Amount</u>	<u>Revenue Earned</u>	<u>Actual Expenses</u>
Interest on Lawyers Trust Account (IOLTA)	\$ 60,000	24,085	24,085
Basic Civil Legal Services Grant (BCLS)	276,425	134,981	134,981
Crime Victims Civil Legal Services (CVCLS)	69,510	58,436	58,436
Total Texas Justice Foundation Awards	\$ <u>405,935</u>	<u>217,502</u>	<u>217,502</u>

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Notes to Financial Statements

June 30, 2016 and 2015

(13) Subsequent Events

The Center has evaluated subsequent events through September 27, 2016, which is the date the financial statements were available to be issued.

ADDITIONAL INFORMATION

**SCHEDULES OF REVENUES AND EXPENSES COMPARED TO BUDGET
FOR TEXAS ACCESS TO JUSTICE FOUNDATION AWARDS**

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Schedule of Revenues and Expenses Compared to Budget for
Texas Access to Justice Foundation Awards

CVCLS Grant

Year ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenue	\$ <u>69,510</u>	<u>58,436</u>	<u>(11,074)</u>
Expenses:			
Personnel:			
Lawyer	60,000	50,799	9,201
Employee benefits	<u>6,000</u>	<u>4,767</u>	<u>1,233</u>
Total Personnel	<u>66,000</u>	<u>55,566</u>	<u>10,434</u>
Non-Personnel:			
Contract services	460	460	-
Travel	1,800	1,800	-
Dues and subscriptions	250	138	112
Confrence and training	<u>1,000</u>	<u>472</u>	<u>528</u>
Total Non-Personnel	<u>3,510</u>	<u>2,870</u>	<u>640</u>
Total Expenses	<u>\$ 69,510</u>	<u>58,436</u>	<u>11,074</u>

See accompanying independent auditor's report.

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Schedule of Revenues and Expenses Compared to Budget for
Texas Access to Justice Foundation Awards

BCLS Grant

Year ended June 30, 2016

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenue	\$ <u>138,213</u>	<u>134,981</u>	<u>(3,232)</u>
Expenses:			
Personnel:			
Lawyer	81,000	75,770	5,230
Paralegal	40,000	40,000	-
Employee benefits	<u>12,100</u>	<u>12,582</u>	<u>(482)</u>
Total Personnel	<u>133,100</u>	<u>128,352</u>	<u>4,748</u>
Non-Personnel:			
Supplies	350	655	(305)
Contract services	600	897	(297)
Travel	2,088	2,713	(625)
Dues and subscription	275	125	150
Library	600	976	(376)
Conferences and training	<u>1,200</u>	<u>1,263</u>	<u>(63)</u>
Total Non-Personnel	<u>5,113</u>	<u>6,629</u>	<u>(1,516)</u>
Total Expenses	<u>\$ <u>138,213</u></u>	<u><u>134,981</u></u>	<u><u>3,232</u></u>

See accompanying independent auditor's report.

**SINGLE AUDIT COMPLIANCE
INFORMATION**

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Schedule of Expenditures of Federal, State and Local Awards

Year ended June 30, 2016

<u>Disbursements/ Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>
FEDERAL:			
<u>Department of Health and Human Services</u>			
Passed through Texas Health and Human Services Commission:			
Family Violence Prevention and Services	93.671	529-15-0032-00002B	\$ 145,237
Social Security Block Grant	93.667	529-15-0032-00002B	345,207
Family Violence Prevention and Services	93.671	529-15-0006-00013A	41,004
Family Violence Prevention and Services	93.671	529-15-0006-00013	<u>18,681</u>
Total Health and Human Services			<u>550,129</u>
Passed through Texas Department of State Health Services:			
Block Grants for Substance Abuse Prevention and Treatment (RY)	93.959	2016-048113-001 SA/YPI	229,140
Block Grants for Substance Abuse Prevention and Treatment (RY)	93.959	2015-046217-001 SA/YPI	<u>51,428</u>
Total Department of State Health Services			<u>280,568</u>
<u>Department of Housing and Urban Development</u>			
Passed through Texas Department of Housing and Community Affairs:			
Emergency Shelter Grant Programs	14.231	42150002304	140,637
Passed through City of San Antonio:			
HUD-Community Based Counseling and Rapid Rehousing	14.235	TX0361L6J001401	111,317
HUD-Community Based Counseling and Rapid Rehousing	14.235	TX0361L6J001300	94,592
HUD-LaPaloma	14.235	TX0010L6J001407	228,134
HUD-LaPaloma	14.235	TX0010L6J001306	9,966
HUD-SHP Transitional	14.235	TX0010L6J001306	3,076
Total Department of Housing and Urban Development			<u>587,722</u>
<u>Federal Emergency Management Agency</u>			
Passed through the Office of the Governor, Criminal Justice Division:			
Victims of Crime Act Formula Grant Program	16.575	VA-13-V30-23659-06	402,692
Victims of Crime Act Formula Grant Program	16.575	VA-13-V30-23659-05	32,684
Total Federal Emergency Management Agency			<u>435,376</u>
Total Federal Awards			<u>1,853,795</u>

See accompanying independent auditor's report

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Schedule of Federal, State and Local Awards

Year ended June 30, 2016

<u>Disbursements/ Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>
STATE:			
Office of the AG (OVAG)	1664069		\$ 35,394
Office of the AG (OVAG)	1552496		1,205
Criminal Justice Division	015-013		123,888
Criminal Justice Division	015-013		17,021
Tx Health and Human Services Commission	529-15-0032-00002B		196,280
Tx Health and Human Services Commission	529-15-0032-00002		<u>118,297</u>
Total State Awards			<u>492,085</u>
LOCAL:			
City of San Antonio - General Fund A	4600014889		158,701
City of San Antonio - General Fund A	4600014194		41,339
City of San Antonio - Haven for Hope	4600014889		106,373
City of San Antonio - Haven for Hope - Project B	4600014194		26,021
Bexar County (Batteries Intervention)			33,135
Bexar County (Project Connect)			23,602
Bexar County (Juvenile Probation Dept)			<u>43,127</u>
Total Local Awards			<u>432,298</u>
TOTAL FEDERAL, STATE AND LOCAL AWARDS			<u>\$ 2,778,178</u>

See accompanying independent auditor's report

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Notes to Schedule of Federal, State and Local Awards

Year ended June 30, 2016

(1) Basis of Presentation

The accompanying schedule of federal, state and local awards includes the federal, state and local grant activity of Family Violence Prevention Services and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Gonzalez & Walker

Certified Public Accountants
7800 IH 10 West, Suite 505
San Antonio, Texas 78230
210-366-9430 Fax 210-366-9451

Rinaldo J. Gonzalez, P.C., CPA

Randy L. Walker, CPA

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

Board of Directors
Family Violence Prevention Services, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Family Violence Prevention Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements activities and cash flows for the year then ended, and the related notes to the financial statement, and have issued our report thereon dated September 29, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Family Violence Prevention Services, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Family Violence Prevention Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Family Violence Prevention Services, Inc.'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.

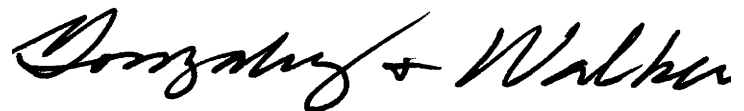
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did 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 Family Violence Prevention Services, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Douglas & Walker". The signature is written in a cursive, flowing style.

September 27, 2016

Gonzalez & Walker

Certified Public Accountants
7800 IH 10 West, Suite 505
San Antonio, Texas 78230
210-366-9430 Fax 210-366-9451

Rinaldo J. Gonzalez, P.C., CPA

Randy L. Walker, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Board of Directors
Family Violence Prevention Services, Inc.

Report on Compliance for Each Major Federal Program

We have audited Family Violence Prevention Services, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Family Violence Preventions Services, Inc.'s major federal programs for the year ended June 30, 2016. Family Violence Prevention Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Managements Responsibility

Management is responsible for compliance with the requirements of laws, regulation contracts and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Family Violence Prevention Services, Inc. major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Family Violence Prevention Services Inc. compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Family Violence Prevention Services, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Family Violence Prevention Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of Family Violence Prevention Services, Inc is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Family Violence Prevention Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Family Violence Prevention Services, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



September 27, 2016

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Schedule of Prior Audit Findings and Questioned Costs

Year ended June 30, 2016

Program

Prior Year's Finding/Noncompliance Questioned Costs

None.

FAMILY VIOLENCE PREVENTION SERVICES, INC.

Schedule of Findings and Questioned Costs

Year ended June 30, 2016

Summary of Auditors' Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weakness(es) identified	None
Significant deficiencies identified that are not considered to be material weakness(es)	None
Noncompliance material to the financial statements	None

Federal Awards

Internal control over major programs: Material weakness(es) identified	None
Significant deficiencies identified that are not considered to be material weakness(es)	None
Type of auditor's report issued on compliance for Major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section CFR Part 200	None

Major Programs

Federal Programs

CFDA 16.545 Federal Emergency Management Agency:
Passed through the Office of the Governor: Victims of Crime
Act Formula Grant

Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee	Yes

Findings – Financial Statements Audit None

**Findings and Questioned Costs – Major Federal
Award Programs Audit** None