

**WILLIAMSON COUNTY CRISIS CENTER
(dba HOPE ALLIANCE)
(A NONPROFIT CORPORATION)**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**

YEAR ENDED DECEMBER 31, 2010

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)**

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BROWN, GRAHAM & COMPANY
PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Williamson County Crisis Center
Round Rock, Texas

We have audited the accompanying statement of financial position of Williamson County Crisis Center (dba Hope Alliance) (a nonprofit corporation) (the Organization) as of December 31, 2010, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Williamson County Crisis Center (dba Hope Alliance) as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2011, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 considered in assessing the results of our audit.

Brown, Graham & Company, P.C.

Austin, Texas
July 25, 2011

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010**

ASSETS

Cash and cash equivalents	\$	179,204
Grants receivable		105,770
Prepaid expenses		9,613
Property and equipment, net (Notes 2 and 3)		<u>186,377</u>
Total assets	\$	<u><u>480,964</u></u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accrued payroll	\$	32,409
Accounts payable		4,705
Deferred revenue		11,792
Tenant deposits		4,050
Long-term debt (Note 3)		<u>64,397</u>
Total liabilities		<u>117,353</u>
Net assets:		
Unrestricted:		
Board designated (Note 4)		3,858
Undesignated		<u>325,538</u>
Total unrestricted net assets		329,396
Temporarily restricted (Note 4)		<u>34,215</u>
Total net assets		<u>363,611</u>
Total liabilities and net assets	\$	<u><u>480,964</u></u>

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

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Support:			
Grants	\$ 917,401	\$ -	\$ 917,401
Contributions	158,021	50,422	208,443
In-kind support (Note 5)	104,543	-	104,543
In-kind donation of property and equipment	2,288	-	2,288
Revenue:			
Fundraising	93,730	-	93,730
Other income	643	-	643
Interest income	254	-	254
	<u>1,276,880</u>	<u>50,422</u>	<u>1,327,302</u>
Net assets released from temporary restrictions (Note 4)	<u>39,844</u>	<u>(39,844)</u>	<u>-</u>
Expenses:			
Program services:			
Family violence	773,170	-	773,170
Sexual assault education and crisis program	349,100	-	349,100
Support services:			
General and administrative	122,454	-	122,454
Fundraising	49,499	-	49,499
	<u>1,294,223</u>	<u>-</u>	<u>1,294,223</u>
Change in net assets	22,501	10,578	33,079
Net assets:			
Beginning of year	<u>306,895</u>	<u>23,637</u>	<u>330,532</u>
End of year	<u>\$ 329,396</u>	<u>\$ 34,215</u>	<u>\$ 363,611</u>

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

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2010**

Cash flows from operating activities:	
Change in net assets	\$ 33,079
Adjustments to reconcile change in net assets to cash flows from operating activities:	
Depreciation	28,128
In kind donation of property and equipment	(2,288)
(Increase) decrease in:	
Grants receivable	(11,315)
Prepaid expenses	(3,372)
Increase (decrease) in:	
Accounts payable	232
Accrued payroll	7,631
Deferred revenue	417
Tenant deposits	<u>2,609</u>
Cash flows from operating activities	<u>55,121</u>
Cash flows from investing activities:	
Purchase of property and equipment	(15,110)
Cash flows from financing activities:	
Principal payments on long-term debt	<u>(2,970)</u>
Net increase in cash and cash equivalents	37,041
Cash and cash equivalents:	
Beginning of year	<u>142,163</u>
End of year	<u>\$ 179,204</u>
Supplemental disclosures of cash flow information:	
Interest paid	<u>\$ 4,773</u>

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

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010**

	Program Services		Support Services		Total Expenses
	Family Violence	Sexual Assault Education and Crisis Program	General and Administrative	Fundraising	
Salaries and related expenses:					
Salaries	\$ 440,466	\$ 247,854	\$ 80,299	\$ 18,385	\$ 787,004
Payroll taxes	34,276	19,571	5,018	1,424	60,289
Other employee benefits	28,803	16,293	5,266	-	50,362
 Total salaries and related expenses	 503,545	 283,718	 90,583	 19,809	 897,655
Other expenses:					
Client services	109,321	533	-	325	110,179
Service charges	-	-	1,992	1,028	3,020
Computer equipment repair	4,431	2,017	528	-	6,976
Contract labor	4,290	500	507	-	5,297
Dues and subscriptions	3,673	800	1,683	-	6,156
Furniture and equipment lease	6,739	2,014	748	-	9,501
Facilities	21,238	4,350	-	-	25,588
Insurance	10,785	7,242	4,611	-	22,638
Interest	4,402	-	371	-	4,773
Office supplies	5,127	3,152	590	70	8,939
Telephone	13,495	3,452	933	-	17,880
Postage and delivery	547	301	112	-	960
Printing and reproduction	2,648	1,570	118	-	4,336
Professional fees	6,240	4,200	6,301	-	16,741
Rent	16,027	10,774	3,538	-	30,339
Utilities	26,272	2,410	606	-	29,288
Repairs and maintenance	6,275	1,298	598	-	8,171
Security	356	-	-	-	356
Training and education	1,092	3,504	4,928	-	9,524
Travel	12,040	7,420	332	268	20,060
Fundraising	-	-	-	27,718	27,718
 Total expenses before depreciation	 758,543	 339,255	 119,079	 49,218	 1,266,095
Depreciation	14,627	9,845	3,375	281	28,128
 Total expenses	 \$ 773,170	 \$ 349,100	 \$ 122,454	 \$ 49,499	 \$ 1,294,223

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

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010**

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

Williamson County Crisis Center (dba Hope Alliance) (the Organization), a Texas nonprofit corporation, was incorporated on June 20, 1983. The Organization provides services at no charge to victims of family violence and sexual assault. These services include a 24-hour hotline, emergency shelter, counseling and support groups, educational programs, legal advocacy, and hospital accompaniment. The Organization is supported by government grants through local city, county and state grants, as well as contributions from other nonprofit organizations and individuals.

Basis of accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. There were no permanently restricted net assets at December 31, 2010.

Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes:

The Organization has received an exemption from federal income taxes from the Internal Revenue Service under Internal Revenue Code Section 501(c)(3). In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended December 31, 2010.

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010**

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
- CONTINUED

Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Section 740, Income Taxes, requires extensive disclosures about uncertain tax positions. The requirements of this standard are applicable to nonprofit organizations. The Organization evaluates any uncertain tax positions using the provisions of FASB ASC 450, Contingencies. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management's judgment with respect to the likely outcome of each uncertain tax position.

The Organization does not believe that it has engaged in any situation that would result in an uncertain tax position. As a result management does not believe that any uncertain tax positions currently exist and therefore, no loss contingency has been recognized in the accompanying financial statements. Federal and state income tax statutes dictate that tax returns filed in any of the previous three reporting periods remain open to examination. Currently, the Organization has no open examinations with either the Internal Revenue Service or state taxing authorities.

The Organization's policy is to record any income tax related penalties and interest incurred as general and administrative expense. The Organization did not incur any income tax related penalties or interest during the year ended December 31, 2010.

Cash equivalents:

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

Property and equipment:

Property and equipment is recorded at cost or at estimated fair value at the date of the gift. Donated property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Repairs and maintenance are charged to expenses. Renewals and betterments which add significantly to the utility or useful life of the asset are capitalized. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	31.5 years
Furniture and fixtures	5 - 7 years

Support and revenue:

Revenues from grants are recorded in accordance with the grant's requirements. Current year grant revenue is earned and recorded as services are provided. Any allowance for doubtful accounts is based on prior years' experience and management's analysis of possible bad debts.

Donated services:

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010**

NOTE 2 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at December 31, 2010:

Buildings	\$ 128,000
Improvements	161,242
Land	32,000
Furniture and fixtures	<u>111,645</u>
 Total property and equipment	 432,887
 Less: Accumulated depreciation	 <u>(246,510)</u>
 Property and equipment, net	 <u>\$ 186,377</u>

NOTE 3 - LONG-TERM DEBT

The Organization has a 6.5% note agreement with a bank that is due in monthly principal and interest payments of \$613 with one balloon payment due January, 2013. The balance outstanding at December 31, 2010, is \$64,397. The note is secured by a deed of trust on the property and equipment.

Scheduled annual principal payments on long-term debt are as follows:

Year ended December 31,	
2011	\$ 3,278
2012	3,497
2013	<u>57,622</u>
 Total	 <u>\$ 64,397</u>

NOTE 4 - NET ASSETS

At December 31, 2010, unrestricted board-designated net assets consisted of \$3,858 to be used for shelter maintenance.

Net assets are temporarily restricted for the following purposes at December 31, 2010:

Family violence	\$ 1,316
Client services	1,476
Computer and IT improvements	11,801
School counselor	<u>19,622</u>
 Temporarily restricted net assets	 <u>\$ 34,215</u>

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010**

NOTE 4 - NET ASSETS – CONTINUED

Net assets were released from restriction by incurring expenses satisfying the purposes as follows:

Family violence	\$ 17,630
Client services	1,497
Board development	6,179
Fund development and fundraising	7,660
Sexual assault education and crisis program	1,005
Playground	495
School counselor	<u>5,378</u>
 Total net assets released from temporary restrictions	 \$ <u><u>39,844</u></u>

NOTE 5 - IN-KIND SUPPORT AND EXPENSES

The value of in-kind support and the corresponding expenses included in the statement of activities for the year ended December 31, 2010, is as follows:

Support:	
In-kind support	\$ <u><u>104,543</u></u>
Expenses:	
Client services	\$ 71,322
Facilities	25,588
Furniture and equipment lease	383
Professional fees	<u>7,250</u>
 Total expenses	 \$ <u><u>104,543</u></u>

NOTE 6 – NOTE PAYABLE

The Organization has a revolving line of credit agreement through December, 2011 with a financial institution that has a limit up to \$50,000 with interest payable monthly at 5.75%. At December 31, 2010, the Organization had no outstanding balance on the revolving line of credit.

NOTE 7 - CONTINGENCIES

The Organization participates in numerous grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required. In the opinion of Management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010**

NOTE 8 - DATE OF MANAGEMENT EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 25, 2011, the date on which the financial statements were available to be issued.

GOVERNMENTAL AUDIT INFORMATION



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

To the Board of Directors
Williamson County Crisis Center
(dba Hope Alliance)
Round Rock, Texas

We have audited the financial statements of Williamson County Crisis Center (dba Hope Alliance) (a nonprofit corporation) (the Organization) as of and for the year ended December 31, 2010, and have issued our report thereon dated July 25, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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*.

This report is intended solely for the information and use of key management, the Board of Directors and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Brown, Graham & Company, P.C.

Austin, Texas
July 25, 2011