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

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

YEAR ENDED DECEMBER 31, 2018

WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)

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BROWN, GRAHAM & COMPANY
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Williamson County Crisis Center (dba Hope Alliance) (a nonprofit corporation) (the Organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, cash flows and functional expenses 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 Organization'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 Organization'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 Williamson County Crisis Center (dba Hope Alliance) as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2019 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Brown, Graham & Company, P.C.

Austin, Texas
September 26, 2019

WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

Current assets:		
Cash and cash equivalents	$	156,731
Contributions receivable		303,231
Prepaid expenses		4,269
Total current assets		464,231
Property and equipment, net (Notes 2 and 3)		672,360
Total assets	$	1,136,591

LIABILITIES AND NET ASSETS

Current liabilities:		
Accrued payroll	$	35,748
Accounts payable		14,527
Accrued compensated absences		14,935
Current portion of long-term debt (Note 3)		6,097
Total current liabilities		71,307
Long-term debt, net of current portion (Note 3)		20,349
Total liabilities		91,656
Net assets:		
Without donor restrictions		976,359
With donor restrictions (Note 6)		68,576
Total net assets		1,044,935
Total liabilities and net assets	$	1,136,591

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, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Support:			
Government grants	$ 316,872	$ 1,099,370	$ 1,416,242
Contributions and other grants	329,626	430,775	760,401
In-kind support (Note 8)	33,479	-	33,479
Revenue:			
Fundraising	147,769	-	147,769
Other income	15,318	-	15,318
Interest income	135	-	135
Net assets released from restrictions - satisfaction of purpose (Note 6)	1,596,651	(1,596,651)	-
Total support and revenue	2,439,850	(66,506)	2,373,344
Expenses:			
Program services:			
Family violence	1,123,093	-	1,123,093
Sexual assault education and crisis program	445,304	-	445,304
Support services:			
General and administrative	207,522	-	207,522
Fundraising	171,108	-	171,108
Total expenses	1,947,027	-	1,947,027
Changes in net assets	492,823	(66,506)	426,317
Net assets:			
Beginning of year:	483,536	135,082	618,618
End of year	$ 976,359	$ 68,576	$ 1,044,935

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, 2018

Cash flows from operating activities:	
Change in net assets	$ 426,317
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	50,728
(Increase) decrease in:	
Accounts receivable	135,058
Contributions receivable	(303,231)
Prepaid expenses	40,137
Increase (decrease) in:	
Accrued payroll	(7,089)
Accounts payable	(15,576)
Deferred revenue	(152,977)
Deferred rent	(5,750)
Accrued compensated absences	(4,821)
Net cash flows from operating activities	162,796
Net cash flows from investing activities:	
Purchase of property and equipment	(455,983)
Net cash flows from financing activities:	
Principal payments on long-term debt	(5,829)
Payment on note payable - bank	(10,029)
Cash flows from financing activities	(15,858)
Net decrease in cash and cash equivalents	(309,045)
Cash and cash equivalents:	
Beginning of year	465,776
End of year	$ 156,731
Supplemental disclosures of cash flow information:	
Interest paid	$ 1,412

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, 2018

	Program Services		Support Services		
	Family Violence	Sexual Assault Education and Crisis	General and Administrative	Development	Total Expenses
Personnel expenses:					
Salaries	$ 712,670	$ 310,237	$ 130,512	$ 102,869	$ 1,256,288
Payroll taxes	58,143	25,507	10,891	8,114	102,655
Other employee benefits	68,386	27,704	3,276	8,526	107,892
In-kind advocates (Note 8)	15,196	5,713	6,970	-	27,879
Total personnel expenses	854,395	369,161	151,649	119,509	1,494,714
Other expenses:					
Advertising	-	-	-	3,607	3,607
Client services	64,357	9,420	167	-	73,944
Service charges	1,278	491	1,951	12,588	16,308
IT services	14,353	5,430	3,957	-	23,740
Dues and subscriptions	7,415	2,819	2,046	738	13,018
Employee and volunteer relations	3,377	1,271	1,161	473	6,282
Insurance	7,402	2,708	2,559	-	12,669
Interest	1,209	168	35	-	1,412
Supplies	10,171	3,482	2,019	1,552	17,224
Telephone and internet	11,466	2,637	1,606	-	15,709
Postage and delivery	358	174	59	2,142	2,733
Printing and reproduction	4,560	1,819	1,159	591	8,129
Professional fees (Note 8)	10,015	3,457	16,764	1,792	32,028
Rent	31,293	11,301	8,837	-	51,431
Utilities	25,538	3,842	1,544	-	30,924
Repairs and maintenance	33,537	4,890	1,817	141	40,385
Security	1,276	222	84	-	1,582
Training and education	4,387	2,499	1,150	160	8,196
Travel	6,749	7,327	334	930	15,340
Fundraising	28	11	-	26,885	26,924
Total expenses before depreciation	1,093,164	433,129	198,898	171,108	1,896,299
Depreciation	29,929	12,175	8,624	-	50,728
Total expenses	$ 1,123,093	$ 445,304	$ 207,522	$ 171,108	$ 1,947,027

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

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 grants and contributions from other nonprofit organizations and individuals.

Change in accounting principles:
Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* - The guidance in ASU 2018-08 clarifies how entities determine whether to account for a transfer of assets (or a reduction, settlement or cancellation of a liability) as a contribution or as exchange transaction. An entity will continue to determine whether to account for a transfer of assets as an exchange transaction by evaluating whether the resource provider receives commensurate value in exchange for the assets transferred (i.e., whether the transaction is reciprocal). However, the new guidance clarifies that when the public receives the primary benefit, that benefit is not considered commensurate value to the resource provider (i.e., grantor) and the underlying transfer of assets will now be treated as a contribution. It also clarifies that execution of a resource provider's mission or the positive sentiment from acting as a donor shall not constitute receiving commensurate value.

The recipient of a contribution under FASB 958-605, Not-for-Profit Entities-Revenue Recognition, must determine whether the contribution is unconditional (and record immediately upon proper notification) or conditional (and disclose until conditions are met and then record the transaction). The new guidance also clarifies that a contribution is conditional if the agreement includes both a barrier (or barriers) that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor's obligation to transfer assets.

Although ASU 2018-08 is effective for financial statements issued for annual reporting periods beginning after December 15, 2018, the Organization elected early adoption as permitted by this ASU. Management believes that the clearer process for determining proper accounting and reporting treatment of its significant amount of grant funds received from government entities, foundations and other nonprofit organizations results in a more meaningful presentation of its statement of activities. The Organization applied the changes on a modified prospective basis which requires application of new guidance to all grant and other agreements that were either not completed as of January 1, 2018 (the effective date) or were entered into after the effective date.

Implementation of this guidance resulted in all grants that were not completed as of January 1, 2018 and grants from agreements entered into in 2018 to being classified as contributions rather than exchange transactions.

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

Change in accounting principles - Continued:
FASB ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* – In August 2016, the FASB issued ASU 2016-14 which amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes impacting the Organization include: (1) reducing the number of net asset classes from three to two: net assets without donor restrictions (previously reported as unrestricted net assets), and net assets with donor restrictions (previously reported as temporarily or permanently restricted net assets), (2) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, and (3) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources. The Organization adopted ASU 2016-14 in its financial statements effective December 31, 2018, applying retrospectively to the period presented.

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 (US GAAP). Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor-imposed restrictions are temporary in nature; these restrictions will be met by the actions of the Organization or by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, whereby the donor stipulates that resources be maintained in perpetuity.

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

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 year received.

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

Estimates:
The preparation of financial statements in conformity with U.S. 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.

Cash and 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 are 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 either the estimated useful lives of the assets (for purchased or donated assets) or remaining lease term (for leasehold improvements) as follows:

Buildings and improvements	7 - 39 years
Furniture and fixtures	3 - 7 years
Leasehold improvements	4.5 years

Revenue recognition and allowance for doubtful accounts:
Revenue is recognized when earned. Contributions, including unconditional promises to give, are recorded at their net realizable values when received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The Organization determines the allowance for doubtful accounts based on prior years' experience and management's analysis of possible bad debts. The Organization considers all contributions receivable to be fully collectible at December 31, 2018.

As of December 31, 2018, the Organization had received conditional promises to give totaling $579,662 for the family violence and sexual assault education and crisis programs.

Functional expenses:
The cost of providing family violence and sexual assault education and crisis program services as well as supporting activities is summarized on a functional expense basis in the statement of functional expenses. Expenses directly attributable to a specific program or supporting activity of the Organization are reported expenses of those functional activities. There are no functional expenses that require allocation between activities.

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

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, 2018.

FASB ASC Section 740 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. 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. 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, 2018.

Recent accounting pronouncements:
In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606).* This update, along with ASU 2016-08, *Revenue from Contracts with Customers (Topic 606), Principal versus Agent Considerations (Reporting Revenue Gross versus Net),* ASU 2016-10, *Revenue from Contracts with Customers (Topic 606), Identifying Performance Obligations and Licensing, and* ASU 2016-12, *Revenue from Contracts with Customers (Topic 606), Narrow-Scope Improvements and Practical Expedients,* establishes a comprehensive revenue recognition standard. The updates require that revenue be recognized to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additional disclosure is also required to enable financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2018. Management continues to evaluate the potential impact of these updates on the Organization's financial statements and disclosures.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires an entity that is a lessee to recognize the assets and liabilities arising from leases on the balance sheet. The amendments in ASU No. 2016-02 also require disclosures about the amount, timing and uncertainty of cash flows arising from leases. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2019 using a modified retrospective approach, and early adoption is permitted. Management is evaluating the effect this update will have on its financial statements and disclosures.

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

Recent accounting pronouncements - Continued:
In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows* (Topic 230). The update standardizes how certain transactions should be classified in the statement of cash flows. The guidance is effective on a retrospective basis for fiscal years beginning after December 15, 2018. Presently, management does not anticipate that the adoption of this update will have a material effect on the Organization's financial statements.

NOTE 2 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at December 31, 2018:

Buildings	$	128,000
Building and land improvements		711,876
Land		32,000
Furniture and fixtures		229,589
Leasehold improvements		68,604
Total property and equipment		1,170,069
Less: Accumulated depreciation		(497,709)
Property and equipment, net	$	672,360

NOTE 3 - LONG-TERM DEBT

The Organization has a 4.0% note agreement with a bank that is due in monthly principal and interest payments of $586, maturing in January 2023. The note is secured by a deed of trust on certain property and equipment. Scheduled annual principal payments on long-term debt are as follows:

Year ended December 31,		
2019	$	6,097
2020		6,345
2021		6,604
2022		6,873
2023		527
Total	$	26,446

NOTE 4 - NOTE PAYABLE

The Organization has a revolving line of credit agreement with a financial institution that has a limit up to $50,000 with interest payable monthly at 7.0%. At December 31, 2018, the Organization does not have an outstanding balance on the revolving line of credit.

Subsequent to the year ended December 31, 2018, the Organization entered into a promissory note agreement with a separate financial institution. The loan agreement is based on a variable interest rate revolving line of credit with a $100,000 limit and a maturity date in July 2020. The loan is collateralized by a first lien security interest in the Organization's accounts and contributions receivable. Proceeds from the new line of credit were used to pay off the balance due on the previous line of credit which was then closed.

NOTE 5 – LIQUIDITY AND AVAILABILITY

The Organization operates with a balanced budget and regularly monitors liquidity required to meet its operating needs and other financial commitments. The Organization has a goal to maintain cash on hand equal to three months of operating expenses, which averages approximately $147,800 a month. The Organization considers all expenditures related to its ongoing activities of providing family violence and sexual assault education and crisis program services in Williamson County as well as the conduct of activities that support these program services to be general expenditures. Financial assets available for general expenditures available for general expenditures within one year from December 31, 2018 are as follows:

Financial assets at year end:		
Cash and cash equivalents	$	156,731
Contributions receivable		303,231
Prepaid expenses		4,269
Financial assets available to meet general expenditures over the next year	$	464,231

The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

The Organization also has a line of credit available to meet short-term needs (see Note 4).

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2018, net assets of $68,576 are restricted for the following purposes:

Shelter support	$	7,372
Capacity building		53,056
Computer and IT improvements		8,148
Net assets with donor restrictions	$	68,576

Net assets were released from restriction by incurring expenses satisfying the purposes as follows for the year ended December 31, 2018:

Shelter improvements and equipment	$	312,635
Shelter support		791,876
Specific client services and personnel costs		248,488
Capacity building		72,883
Counselor services		165,769
Phone system		5,000
Total net assets released from restrictions	$	1,596,651

NOTE 7 - OPERATING LEASE

In July 2014, the Organization entered into a fifty-two month lease agreement for 4,134 square feet office space. The operating lease commenced on September 1, 2014 and ended on December 31, 2018. Office lease expense in the amount of $43,350 is included in rent on the accompanying statement of functional expenses.

Subsequent to the year ended December 31, 2018, the Organization entered into a new operating lease agreement for a different office space within the same complex. Both lease agreements are with the same landlord. The new 60 month lease was set to commence on March 1, 2019. However, the Organization continued its prior lease agreement on a month-to-month basis until the April 1, 2019 move-in at the new office space.

NOTE 8 - IN-KIND SUPPORT AND EXPENSES

In-kind support and the corresponding expenses included in the statement of activities and statement of functional expenses, respectively, for the year ended December 31, 2018, is comprised of the following:

Support:		
In-kind support	$	33,479
Expenses:		
Advocates	$	27,879
Professional fees		5,600
Total expenses	$	33,479

NOTE 9 – CONCENTRATIONS

The Organization receives the majority of its grants from state and federal agencies. During the year ended December 31, 2018, the Organization received $862,375 or 36% of its support and revenue from these grantors. Loss of this support due to reduced budget appropriations at state or federal levels or due to contract non-renewal could have a material impact on the Organization's operations.

NOTE 10 - 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.

NOTE 11 – DATE OF MANAGEMENT'S EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 26, 2019, the date on which the financial statements were available to be issued.

GOVERNMENTAL AUDIT INFORMATION

BROWN, GRAHAM & COMPANY
PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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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*

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

We have audited the basic financial statements of Williamson County Crisis Center (dba Hope Alliance) (a nonprofit corporation) (the Organization) as of and for the year ended December 31, 2018, and have issued our report thereon dated September 26, 2019. 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

Management of Williamson County Crisis Center is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Williamson County Crisis Center'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 Williamson County Crisis Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Williamson County Crisis Center'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Williamson County Crisis Center'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 over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance. Accordingly, this report is not suitable for any other purpose.

Brown, Graham & Company, P.C.

Austin, Texas
September 26, 2019