

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

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

YEAR ENDED DECEMBER 31, 2015

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

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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, 2015, 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, 2015, 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 21, 2016 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 21, 2016

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015**

ASSETS

Cash and cash equivalents	\$	394,935
Accounts receivable		101,992
Promises to give (Note 2)		6,168
Prepaid expenses		5,760
Property and equipment, net (Notes 3 and 4)		<u>325,723</u>
Total assets	\$	<u><u>834,578</u></u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accrued payroll	\$	31,201
Accounts payable		10,004
Deferred revenue		68,932
Long-term debt (Note 4)		<u>43,256</u>
Total liabilities		<u>153,393</u>
Net assets:		
Unrestricted		629,101
Temporarily restricted (Note 6)		<u>52,084</u>
Total net assets		<u>681,185</u>
Total liabilities and net assets	\$	<u><u>834,578</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, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Support:			
Contributions	\$ 268,781	\$ 54,700	\$ 323,481
In-kind support (Note 7)	32,179	-	32,179
Revenue:			
Grants	942,490	-	942,490
Fundraising	161,221	-	161,221
Other income	804	-	804
Interest income	203	-	203
	<u>1,405,678</u>	<u>54,700</u>	<u>1,460,378</u>
Net assets released from temporary restrictions (Note 6)	<u>143,862</u>	<u>(143,862)</u>	<u>-</u>
Expenses:			
Program services:			
Family violence	905,175	-	905,175
Sexual assault education and crisis program	355,692	-	355,692
Support services:			
General and administrative	171,542	-	171,542
Fundraising	90,874	-	90,874
	<u>1,523,283</u>	<u>-</u>	<u>1,523,283</u>
Changes in net assets	26,257	(89,162)	(62,905)
Net assets:			
Beginning of year	<u>602,844</u>	<u>141,246</u>	<u>744,090</u>
End of year	<u>\$ 629,101</u>	<u>\$ 52,084</u>	<u>\$ 681,185</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, 2015**

Cash flows from operating activities:	
Changes in net assets	\$ (62,905)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:	
Depreciation	40,494
(Increase) decrease in:	
Accounts receivable	1,861
Promises to give	20,853
Prepaid expenses	5,172
Increase (decrease) in:	
Accrued payroll	10,907
Accounts payable	7,108
Deferred revenue	<u>5,689</u>
Net cash flows from operating activities	29,179
Cash flows from investing activities:	
Purchase of property and equipment	(8,320)
Cash flows from financing activities:	
Principal payments on long-term debt	<u>(5,238)</u>
Net increase in cash and cash equivalents	15,621
Cash and cash equivalents:	
Beginning of year	<u>379,314</u>
End of year	\$ <u><u>394,935</u></u>
Supplemental disclosures of cash flow information:	
Interest paid	\$ <u><u>2,133</u></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, 2015**

	<u>Program Services</u>		<u>Support Services</u>		<u>Total Expenses</u>
	<u>Family Violence</u>	<u>Sexual Assault Education and Crisis</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Salaries and related expenses:					
Salaries	\$ 573,262	\$ 247,903	\$ 103,600	\$ 47,731	\$ 972,496
Payroll taxes	46,135	19,822	7,799	3,713	77,469
Other employee benefits	45,878	18,438	9,767	4,340	78,423
Total salaries and related expenses	665,275	286,163	121,166	55,784	1,128,388
Other expenses:					
Advertising	-	-	189	-	189
Client services	24,433	4,429	1,794	-	30,656
Service charges	390	130	4,052	-	4,572
Computer equipment repair	9,242	4,042	4,401	425	18,110
Contract labor	20,686	5,198	5,120	-	31,004
Dues and subscriptions	3,710	1,221	5,028	4,686	14,645
Employee relations	2,118	723	3,810	-	6,651
Facilities	20,484	4,195	-	-	24,679
Insurance	4,961	2,472	8,123	-	15,556
Interest	1,638	-	495	-	2,133
Supplies	10,387	3,451	2,981	96	16,915
Telephone and internet	10,176	1,451	196	-	11,823
Postage and delivery	1,188	599	445	158	2,390
Printing and reproduction	5,836	2,028	813	-	8,677
Professional fees	10,664	3,527	2,340	-	16,531
Rent	29,273	14,766	3,741	-	47,780
Utilities	28,329	5,324	819	-	34,472
Repairs and maintenance	13,946	2,601	994	-	17,541
Security	1,326	205	12	-	1,543
Training and education	1,008	483	1,915	299	3,705
Travel	8,059	6,579	181	-	14,819
Volunteer	56	31	497	-	584
Fundraising	-	-	-	29,426	29,426
Total expenses before depreciation	873,185	349,618	169,112	90,874	1,482,789
Depreciation	31,990	6,074	2,430	-	40,494
Total expenses	<u>\$ 905,175</u>	<u>\$ 355,692</u>	<u>\$ 171,542</u>	<u>\$ 90,874</u>	<u>\$ 1,523,283</u>

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, 2015**

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.

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, 2015.

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.

Cash and cash equivalents:

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

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, 2015.

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

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

Income taxes - continued:

Financial Accounting Standards Board Accounting Standards Codification (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, 2015.

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

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.

Revenue recognition:

Revenues from grants are recorded in accordance with the grants' requirements. Current year grant revenue is earned and recorded as services are provided. Accounts receivable are considered past due based upon contractual terms of the underlying agreement. Any allowance for doubtful accounts is based on prior years' experience and management's analysis of possible bad debts. The Organization considers all accounts receivable to be fully collectible at December 31, 2015.

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

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

Promises to give:

Promises to give represent unconditional promises to give which have been made by donor but have not yet been received by the Organization. Contribution revenue is recognized in the year in which the unconditional promise to give is received. The Organization considers all promises to give to be fully collectible; accordingly, no allowance for uncollectible pledges has been provided.

NOTE 2 – PROMISES TO GIVE

Unconditional promises to give at December 31, 2015 total \$6,168, all of which is expected be received during 2016. There were no unamortized discounts on promises to give at December 31, 2015.

NOTE 3 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at December 31, 2015:

Buildings	\$ 148,000
Building and land improvements	255,138
Land	32,000
Furniture and fixtures	205,890
Leasehold improvements	<u>68,604</u>
 Total property and equipment	 709,632
 Less: Accumulated depreciation	 <u>(383,909)</u>
 Property and equipment, net	 <u>\$ 325,723</u>

NOTE 4 - 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,	
2016	\$ 5,408
2017	5,629
2018	5,858
2019	6,097
2020	6,345
Thereafter	<u>13,919</u>
Total	<u>\$ 43,256</u>

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

NOTE 5 - 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 5.75%. At December 31, 2015, the Organization had no outstanding balance on the revolving line of credit.

NOTE 6 - NET ASSETS

At December 31, 2015, net assets of \$52,084 are temporarily restricted for use in the family violence program. Net assets were released from restriction by incurring expenses satisfying the purposes as follows for the year ended December 31, 2015:

Family violence	\$ 99,379
Client services	29,483
Primary prevention program	<u>15,000</u>
Total net assets released from temporary restrictions	<u>\$ 143,862</u>

NOTE 7 - 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, 2015, is as follows:

Support:	
In-kind support	\$ <u>32,179</u>
Expenses:	
Facilities	\$ 24,679
Professional fees	<u>7,500</u>
Total expenses	<u>\$ 32,179</u>

NOTE 8 - OPERATING LEASE

The Organization had an office lease agreement for 2,200 square feet of office space which was extended in May 2014 for three months. In July 2014, the Organization entered into a fifty-two month lease agreement which expanded their office space up to 4,134 square feet at the same location. The operating lease commenced on September 1, 2014 and ends on December 31, 2018.

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

NOTE 8 - OPERATING LEASE – CONTINUED

Future minimum lease payments for the next three years are as follows:

Year ended December 31,	
2016	\$ 45,792
2017	45,792
2018	<u>45,792</u>
Total	\$ <u>137,376</u>

Office lease expense in the amount of \$41,068 is included in rent on the accompanying statement of functional expenses.

NOTE 9 - 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 10 - DATE OF MANAGEMENT EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 21, 2016, the date on which the financial statements were available to be issued.

GOVERNMENTAL AUDIT INFORMATION



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

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

We have audited 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, the 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, 2015, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements for the year then ended, and have issued our report thereon dated September 21, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's 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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. 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 21, 2016