

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

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

YEAR ENDED DECEMBER 31, 2020

**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, 2020, 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, 2020, 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 22, 2021 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 22, 2021

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 319,186
Contributions receivable	277,770
Prepaid expenses	<u>27,780</u>
Total current assets	624,736
Property and equipment, net (Notes 2 and 3)	<u>705,630</u>
Total assets	\$ <u><u>1,330,366</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accrued payroll	\$ 58,539
Accounts payable	22,065
Refundable grant advance	28,823
Accrued compensated absences	21,705
Current portion of long-term debt (Note 3)	<u>6,604</u>
Total current liabilities	137,736
Long-term debt, net of current portion (Note 3)	<u>7,434</u>
Total liabilities	<u>145,170</u>
Net assets:	
Without donor restrictions:	
Board designated operating reserve	150,000
Undesignated	<u>785,386</u>
Total net assets without donor restrictions	935,386
With donor restrictions (Note 6)	<u>249,810</u>
Total net assets	<u>1,185,196</u>
Total liabilities and net assets	\$ <u><u>1,330,366</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, 2020**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support and revenue:			
Support:			
Government grants	\$ 191,658	\$ 989,417	\$ 1,181,075
Contributions and other grants	271,978	653,889	925,867
In-kind support (Note 8)	41,390	-	41,390
Revenue:			
Fundraising	187,628	-	187,628
Interest income	406	-	406
Net assets released from restrictions - satisfaction of purpose (Note 6)	<u>1,674,846</u>	<u>(1,674,846)</u>	<u>-</u>
Total support and revenue	<u>2,367,906</u>	<u>(31,540)</u>	<u>2,336,366</u>
Expenses:			
Program services:			
Family violence	1,135,484	-	1,135,484
Sexual assault education and crisis program	506,770	-	506,770
Support services:			
General and administrative	373,033	-	373,033
Fundraising	<u>164,939</u>	<u>-</u>	<u>164,939</u>
Total expenses	<u>2,180,226</u>	<u>-</u>	<u>2,180,226</u>
Changes in net assets	187,680	(31,540)	156,140
Net assets:			
Beginning of year	<u>747,706</u>	<u>281,350</u>	<u>1,029,056</u>
End of year	<u>\$ 935,386</u>	<u>\$ 249,810</u>	<u>\$ 1,185,196</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, 2020**

Cash flows from operating activities:	
Change in net assets	\$ 156,140
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	61,154
(Increase) decrease in:	
Contributions receivable	154,193
Prepaid expenses	(20,794)
Increase (decrease) in:	
Accrued payroll	18,525
Accounts payable	(22,154)
Refundable grant advance	28,823
Accrued compensated absences	<u>2,571</u>
Net cash flows from operating activities	<u>378,458</u>
Net cash flows from investing activities:	
Purchase of property and equipment	<u>(47,964)</u>
Net cash flows from financing activities:	
Principal payments on long-term debt	(6,328)
Payments on note payable - bank	<u>(89,777)</u>
Cash flows from financing activities	<u>(96,105)</u>
Net increase in cash and cash equivalents	234,389
Cash and cash equivalents:	
Beginning of year	<u>84,797</u>
End of year	\$ <u><u>319,186</u></u>
Supplemental disclosures of cash flow information:	
Interest paid	\$ <u><u>4,450</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, 2020**

	<u>Program Services</u>		<u>Support Services</u>		
	<u>Family Violence</u>	<u>Sexual Assault Education and Crisis</u>	<u>General and Administrative</u>	<u>Development</u>	<u>Total Expenses</u>
Personnel expenses:					
Salaries	\$ 723,830	\$ 333,335	\$ 275,077	\$ 114,649	\$ 1,446,891
Payroll taxes	71,822	31,989	24,013	9,800	137,624
Other employee benefits	59,189	31,647	23,887	10,040	124,763
In-kind advocates (Note 8)	<u>4,052</u>	<u>1,555</u>	<u>4,667</u>	<u>-</u>	<u>10,274</u>
Total personnel expenses	858,893	398,526	327,644	134,489	1,719,552
Other expenses:					
Advertising	-	-	-	8,866	8,866
Client services	77,611	17,245	12,983	3	107,842
Service charges	3,022	1,472	1,151	5,728	11,373
IT services	11,610	5,358	2,672	201	19,841
Dues and subscriptions	10,945	5,911	2,323	2,873	22,052
Employee and volunteer relations	1,429	596	284	29	2,338
Insurance	12,195	5,936	2,344	376	20,851
Interest	1,483	465	2,474	28	4,450
Supplies (Note 8)	7,103	3,267	1,995	539	12,904
Telephone and internet	10,468	2,845	825	125	14,263
Postage and delivery	265	128	31	510	934
Printing and reproduction	1,977	638	183	36	2,834
Professional fees	12,470	6,128	1,415	261	20,274
Rent	46,447	21,609	7,335	1,310	76,701
Utilities	21,900	4,359	909	146	27,314
Repairs and maintenance	18,667	3,497	927	108	23,199
Security	1,508	250	48	4	1,810
Training and education	2,510	7,459	661	159	10,789
Travel	1,309	1,496	102	129	3,036
Fundraising (Note 8)	<u>37</u>	<u>16</u>	<u>-</u>	<u>7,796</u>	<u>7,849</u>
Total expenses before depreciation	1,101,849	487,201	366,306	163,716	2,119,072
Depreciation:	<u>33,635</u>	<u>19,569</u>	<u>6,727</u>	<u>1,223</u>	<u>61,154</u>
Total expenses	\$ <u><u>1,135,484</u></u>	\$ <u><u>506,770</u></u>	\$ <u><u>373,033</u></u>	\$ <u><u>164,939</u></u>	\$ <u><u>2,180,226</u></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, 2020**

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 (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 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.

Cash and cash equivalents:

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

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

**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.

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, 2020.

As of December 31, 2020, the Organization had received conditional promises to give totaling \$423,753 for the family violence and sexual assault education and crisis programs. As of December 31, 2020, a refundable grant advance in the amount of \$28,823 is included on the statement of net position for amounts received on a conditional promise to give prior to the Organization satisfying the grant's measurable performance requirements.

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.

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

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

Advertising

The Organization expenses advertising costs as incurred. Advertising expense totaled \$8,866 for the year ended December 31, 2020, which is included in development expenses on the statement of activities.

Federal 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, 2020.

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, 2020.

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, 2020. Management does not anticipate that adoption of this update will have a material effect on its financial statements and disclosures.

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

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

Recent accounting pronouncements - Continued:

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, 2021 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 2 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at December 31, 2020:

Buildings	\$ 128,000
Building and land improvements	761,934
Land	32,000
Furniture and fixtures	293,117
Leasehold improvements	87,702
Vehicles	<u>16,626</u>
Total property and equipment	1,319,379
Less: Accumulated depreciation	<u>(613,749)</u>
Property and equipment, net	<u>\$ 705,630</u>

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,	
2021	\$ 6,604
2022	6,873
2023	<u>561</u>
Total	<u>\$ 14,038</u>

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

NOTE 4 - NOTE PAYABLE - BANK

The Organization maintains a revolving line of credit agreement with a financial institution with a limit up to \$50,000 with interest payable monthly at 7.0%. There was no outstanding balance on this line credit as of December 31, 2020.

During July 2019, the Organization entered into a promissory note agreement with a separate financial institution. The promissory note agreement is based on a revolving line of credit with a \$100,000 limit and a maturity date in July 2020. The loan is collateralized by a commercial security agreement consisting of first lien security interest in the Organization's accounts and contributions receivable. The interest rate is the greater of Wall Street Prime rate plus one percent (1%) or six and one-half percent (6.5%) per annum. During the year ended December 31, 2020, the Organization obtained a one year renewal of this \$100,000 note with a maturity date of July 22, 2021 and no other changes in the note terms.

Subsequent to the year ended December 31, 2020, the Organization obtained an one-year renewal of this \$100,000 note with a maturity date of July 22, 2022 and no other changes in the note terms.

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 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 within one year of December 31, 2020, consists of the following financial assets less management's estimates of amounts not available to be used within one year:

Financial assets at year end:

Cash and cash equivalents	\$ 319,186
Contributions receivable	277,770
Prepaid expenses	<u>27,780</u>
Total financial assets	624,736

Less those unavailable for general expenditures
within one year, due to:

Board designated operating reserve	<u>(150,000)</u>
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Financial assets available to meet general
expenditures over the next year

\$ 474,736

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

NOTE 5 – LIQUIDITY AND AVAILABILITY

The Organization has a goal to maintain cash on hand equal to three months of operating expenses, which averages approximately \$147,800 a month. As of December 31, 2020, the Board of Directors has designated \$150,000 for this operating reserve.

The Organization receives significant contributions and promises to give restricted by donors and considers all contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures in 2021.

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, 2020, net assets of \$249,810 are restricted for the following purposes:

Counselors	\$ 20,012
Shelter	52,193
Children's program	51,068
Non-residential	34,431
COVID support	<u>92,106</u>
Net assets with donor restrictions	\$ <u><u>249,810</u></u>

Net assets were released from restriction by incurring expenses satisfying the purposes as follows for the year ended December 31, 2020:

Shelter improvements and equipment	\$ 16,078
Shelter support	675,892
Specific client services and personnel costs	334,634
COVID Support	373,904
Capacity building	33,044
Donors amended purpose to general operations	202,306
Counselor services	34,988
Servers, computers, keyboards, equipment	<u>4,000</u>
Total net assets released from restrictions	\$ <u><u>1,674,846</u></u>

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

NOTE 7 - OPERATING LEASE

During the year ended December 31, 2019, the Organization entered into a sixty-month operating lease agreement for its main office space that expires in February 2024. Office lease expense in the amount of \$70,800 is included in rent on the accompanying statement of functional expenses.

At December 31, 2020, the future minimum lease payments are as follows:

Year ended December 31,	
2021	\$ 70,800
2022	70,800
2023	70,800
2024	<u>5,900</u>
Total	<u>\$ 218,300</u>

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, 2020, is comprised of the following:

Support:

In-kind support	\$ <u>41,390</u>
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Expenses:

Advocates	\$ 10,274
Supplies	30,283
Office	<u>833</u>

Total expenses	\$ <u>41,390</u>
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NOTE 9 – CONCENTRATIONS

The Organization receives the majority of its grants from government agencies. During the year ended December 31, 2020, the Organization received \$1,181,075 or fifty-one percent (51%) of its support and revenue from these grantors. Loss of this support due to reduced budget appropriations at city, county, state or federal levels or due to contract non-renewal could have a material impact on the Organization's operations.

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020**

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 – CONTRIBUTION – PAYROLL PROTECTION PLAN

On April 20, 2020, the Organization was granted a \$300,800 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and fully guaranteed by the Federal government. The Organization was eligible for loan forgiveness of up to 100% of the PPP loan, upon meeting certain requirements. The Organization initially recorded the PPP loan as a refundable advance and treated it as a conditional contribution. The Organization used the entire PPP loan amount for qualifying expenses, and, during November 2020, the entire PPP loan amount was forgiven and legally released by the SBA. The Organization recorded the forgiveness in accordance with guidance for conditional contributions whereby a contribution in the amount of \$300,800 is recognized as there is no longer a measurable performance or other barrier related to the PPP loan. The \$300,800 is recorded in contributions and other grants in the statement of activities.

NOTE 12 – LAND PURCHASE CONTRACT

In December 2020, the Organization entered into a commercial contract with an unrelated party to purchase 11.53 acres of unimproved land in Leander, Texas for a sales price of \$2,008,464. The Organization is required to provide cash of \$502,116 at closing and obtain third party financing for the remaining \$1,506,348. An earnest money deposit of \$15,000 is included in prepaid expenses on the accompanying statement of financial position. An additional earnest money deposit in the amount of \$50,000 was made in July 2021. The closing on the land purchase is expected to occur in the first week of October 2021. The Organization plans to construct a 40,000 square foot building for program and support services to include the emergency shelter.

NOTE 13 – DATE OF MANAGEMENT’S EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 22, 2021, the date on which the financial statements were available to be issued.

GOVERNMENTAL AUDIT INFORMATION



BROWN, GRAHAM & COMPANY
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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, 2020, and have issued our report thereon dated September 22, 2021. 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 22, 2021