

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

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

YEAR ENDED DECEMBER 31, 2021

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

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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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Williamson County Crisis Center (the Organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Williamson County Crisis Center as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022 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 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. 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
December 21, 2022

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021**

ASSETS

Current assets:	
Cash and cash equivalents	\$ 923,192
Contributions receivable	611,505
Pledges receivable	459,762
Prepaid expenses	<u>10,103</u>
Total current assets	2,004,562
Property and equipment, net (Notes 2 and 4)	<u>2,879,497</u>
Total assets	<u>\$ 4,884,059</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accrued payroll	\$ 72,964
Accounts payable	53,783
Accrued compensated absences	29,415
Current portion of long-term debt (Note 4)	<u>6,873</u>
Total current liabilities	163,035
Long-term debt, net of current portion (Note 4)	
Principal	1,507,581
Unamortized loan costs	<u>(13,043)</u>
Total long-term liabilities	1,494,538
Total liabilities	<u>1,657,573</u>
Net assets:	
Without donor restrictions:	
Board designated operating reserve (Note 6)	310,000
Undesignated	<u>2,052,500</u>
Total net assets without donor restrictions	2,362,500
With donor restrictions (Note 5)	<u>863,986</u>
Total net assets	<u>3,226,486</u>
Total liabilities and net assets	<u>\$ 4,884,059</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, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Support:			
Government grants	\$ 204,539	\$ 1,979,662	\$ 2,184,201
Contributions and other grants	735,343	1,466,474	2,201,817
In-kind support (Note 8)	43,289	-	43,289
Revenue:			
Fundraising	111,587	-	111,587
Interest income	368	-	368
Misc income	1,223	-	1,223
Net assets released from restrictions - satisfaction of purpose (Note 5)	<u>2,831,960</u>	<u>(2,831,960)</u>	<u>-</u>
Total support and revenue	<u>3,928,309</u>	<u>614,176</u>	<u>4,542,485</u>
Expenses:			
Program services:			
Family violence	1,351,363	-	1,351,363
Sexual assault education and crisis program	522,698	-	522,698
Support services:			
General and administrative	404,967	-	404,967
Fundraising	<u>222,167</u>	<u>-</u>	<u>222,167</u>
Total expenses	<u>2,501,195</u>	<u>-</u>	<u>2,501,195</u>
Changes in net assets	1,427,114	614,176	2,041,290
Net assets:			
Beginning of year	<u>935,386</u>	<u>249,810</u>	<u>1,185,196</u>
End of year	<u>\$ 2,362,500</u>	<u>\$ 863,986</u>	<u>\$ 3,226,486</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, 2021**

Cash flows from operating activities:	
Change in net assets	\$ 2,041,290
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	67,318
(Increase) decrease in:	
Contributions receivable	(333,735)
Pledges receivable	(459,762)
Prepaid expenses	2,677
Increase (decrease) in:	
Accrued payroll	14,425
Accounts payable	31,718
Refundable grant advance	(28,823)
Accrued compensated absences	7,710
	<u>1,342,818</u>
Net cash flows from operating activities	<u>1,342,818</u>
Net cash flows used in investing activities:	
Purchase of property and equipment	<u>(2,239,228)</u>
Net cash flows from financing activities:	
Proceeds from note payable - bank (line of credit)	60,000
Payments on note payable - bank (line of credit)	(60,000)
Proceeds from issuance of long-term debt	1,507,000
Principal payments on long-term debt	(6,584)
	<u>1,500,416</u>
Cash flows from financing activities	<u>1,500,416</u>
Net increase in cash and cash equivalents	604,006
Cash and cash equivalents:	
Beginning of year	<u>319,186</u>
End of year	<u>\$ 923,192</u>
Supplemental disclosures of cash flow information:	
Interest paid	<u>\$ 19,531</u>
Supplemental disclosures of noncash flow information:	
Debt issuance costs paid from deposits held by title company	<u>\$ 13,043</u>
Property and equipment purchased with deposits held by title company	<u>\$ 1,957</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, 2021**

	<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>Development</u>	
Personnel expenses:					
Salaries	\$ 820,363	\$ 326,306	\$ 294,828	\$ 106,124	\$ 1,547,621
Payroll taxes	75,252	29,982	23,164	9,178	137,576
Other employee benefits	80,631	32,196	32,372	15,840	161,039
In-kind advocates (Note 8)	12,614	6,646	-	-	19,260
Total personnel expenses	988,860	395,130	350,364	131,142	1,865,496
Other expenses:					
Advertising	-	-	-	21,026	21,026
Client services (Note 8)	101,696	19,651	15,376	-	136,723
Service charges	3,391	1,794	1,356	8,837	15,378
IT services	10,937	6,496	2,153	397	19,983
Dues and subscriptions	14,657	8,307	3,015	2,152	28,131
Employee and volunteer relations	1,176	627	272	39	2,114
Insurance	14,255	7,859	2,647	518	25,279
Interest	12,928	6,291	303	9	19,531
Property taxes and penalty	-	-	10,000	3,576	13,576
Supplies (Note 8)	7,217	2,877	1,908	1,659	13,661
Telephone and internet	11,098	3,511	739	164	15,512
Postage and delivery	366	195	61	514	1,136
Printing and reproduction	1,754	829	271	40	2,894
Professional fees	24,974	13,346	2,909	356	41,585
Rent	46,270	22,305	6,921	1,442	76,938
Utilities	22,063	4,596	780	164	27,603
Repairs and maintenance	26,722	4,463	818	140	32,143
Security	1,534	277	46	7	1,864
Training and education	11,767	8,365	1,280	2,369	23,781
Travel	1,143	1,429	28	88	2,688
Fundraising	-	-	-	46,835	46,835
Total expenses before depreciation	1,302,808	508,348	401,247	221,474	2,433,877
Depreciation:	48,555	14,350	3,720	693	67,318
Total expenses	\$ 1,351,363	\$ 522,698	\$ 404,967	\$ 222,167	\$ 2,501,195

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, 2021**

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, 2021**

**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

Contributions, grants, pledges receivable and bad debts:

Revenue is recognized when earned. Contributions, including unconditional promises to give, are recorded at their net realizable values when received. Unconditional promises to give are reflected as contributions and pledges receivable and all are recorded at their net realizable value. There is no material difference between the Company's long-term pledges receivables recorded at their net realizable value and long-term pledges receivables recorded at present value of their net realizable value, discounted using risk-free interest rates applicable to the year in which the promises were received. As of December 31, 2021, unconditional promises to give totaling \$736,618 and \$334,649 are estimated to be collected within one year and in one to five years, respectively.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. As of December 31, 2021, the Organization had received conditional promises to give totaling \$805,486 for the family violence and sexual assault education and crisis programs.

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 and pledges receivable to be fully collectible at December 31, 2021.

Advertising

The Organization expenses advertising costs as incurred. Advertising expense totaled \$21,026 for the year ended December 31, 2021, which is included in development expenses on the statement of activities.

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

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

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.

Debt issuance costs:

The Organization is subject to the provisions of the *Interest - Imputation of Interest* topic of FASB ASC 835-30 which requires unamortized debt issuance costs to be presented as a reduction of the outstanding debt and the amortization of the debt issuance costs to be presented as a component of interest expense (see Note 4). GAAP requires that the effective yield method be used to amortize debt issuance costs; however, the effect of using straight-line method is not material to the financial statements for the year ended December 31, 2021.

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, 2021.

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, 2021.

Recent accounting pronouncements:

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.

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

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

Recent accounting pronouncements - Continued:

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires the presentation of contributed nonfinancial assets (gifts-in-kind) separately from other cash contributions on the statement of activities, and there are additional disclosures to be included. The accounting standards requirements in ASU 2020-07 are applied on a retrospective basis. The effective date is for annual periods beginning after June 15, 2021. 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, 2021:

Buildings	\$ 128,000
Building and land improvements	763,539
Land	2,040,465
Furniture and fixtures	309,300
Leasehold improvements	92,190
Vehicles	16,626
Construction in progress	<u>210,444</u>
Total property and equipment	3,560,564
Less: Accumulated depreciation	<u>(681,067)</u>
Property and equipment, net	<u><u>\$ 2,879,497</u></u>

NOTE 3 - NOTE PAYABLE - BANK

During July 2019, the Organization entered into a promissory note agreement based on a revolving line of credit with a \$100,000 limit and an initial maturity date in July 2020 that has been renewed annually for an additional year with no other changes in the note terms. 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. Subsequent to the year ended December 31, 2021, the Organization obtained a one-year renewal of this \$100,000 note with a maturity date of July 22, 2023, and no other changes in the note terms.

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 4 - LONG-TERM DEBT

Long-term debt consists of the following:

4.5% note agreement with a bank with monthly payments of accrued interest only beginning in November 2021 until maturity in October 2023, when all principal and any interest is due. The note is secured by a deed of trust covering certain land as well as an assignment of rents and leases.	\$ 1,507,000
4.0% note agreement with a bank 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.	<u>7,454</u>
Total long-term debt	1,514,454
Less: current portion of long-term debt	<u>(6,873)</u>
Long-term debt, net of current portion	<u>\$ 1,507,581</u>

The aggregate annual maturities of long-term debt by year are as follows:

Year ended December 31,	
2022	\$ 6,873
2023	<u>1,507,581</u>
Total	<u>\$ 1,514,454</u>

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2021, net assets of \$863,986 are restricted for the Hope is Building Campaign to fund the construction of a multi-agency center that will combine an emergency shelter and counseling services under one roof (see Note 12).

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS - CONTINUED

Net assets were released from restriction by incurring expenses satisfying the purposes as follows for the year ended December 31, 2021:

COVID Support	\$ 1,104,803
Land purchase and related Hope is Building costs	561,488
Shelter support	147,422
Specific client services and personnel costs	412,804
Nonresidential support services	506,933
Transitional housing support	53,498
Counselor services	<u>45,012</u>
 Total net assets released from restrictions	 \$ <u><u>2,831,960</u></u>

NOTE 6 – 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, 2021, 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	\$ 923,192
Contributions receivable	611,505
Pledges receivable	459,762
Prepaid expenses	<u>10,103</u>
 Total financial assets	 2,004,562
 Less those unavailable for general expenditures within one year, due to:	
Pledges receivable	(459,762)
Board designated operating reserve	<u>(310,000)</u>
 Financial assets available to meet general expenditures over the next year	 \$ <u><u>1,234,800</u></u>

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

NOTE 6 – LIQUIDITY AND AVAILABILITY - CONTINUED

The Organization has a goal to maintain cash on hand equal to at least three months of operating expenses. As of December 31, 2021, the Board of Directors has designated \$310,000 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 2022.

The Organization also has a line of credit available to meet short-term needs (see Note 5).

NOTE 7 - OPERATING LEASE

During the year ended December 31, 2019, the Organization entered into a sixty-month operating lease agreement for a 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, 2021, the future minimum lease payments are as follows:

Year ended December 31,	
2022	\$ 70,800
2023	70,800
2024	<u>5,900</u>
Total	<u>\$ 147,500</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, 2021, is comprised of the following:

Support:	
In-kind support	\$ <u>43,289</u>
Expenses:	
Advocates	\$ 19,260
Client services	23,518
Supplies	<u>511</u>
Total expenses	<u>\$ 43,289</u>

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

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 – CONCENTRATIONS

The Organization receives the majority of its grants from government agencies. During the year ended December 31, 2021, the Organization received \$2,184,201 or forty-eight percent (48%) 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.

At December 31, 2021, the Organization maintained cash balances at certain financial institutions. These cash accounts at the financial institutions are secured by FDIC in the amount of \$250,000. At certain times, the Organization's cash and cash equivalents exceed \$250,000. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash accounts.

NOTE 11 – LAND PURCHASE AND COMMITMENTS

During the year ended December 31, 2021, the Organization purchased 11.53 acres of unimproved land in Leander, Texas for \$2,008,464. The Organization plans to construct a 40,000 square foot building for program and support services to include the emergency shelter.

During the year ended December 31, 2021, the Organization entered into contracts for architect, civil engineering and project management services totaling \$511,710 related to new facility construction project. Total costs of \$188,456 related to these contracts are included in construction in progress as of December 31, 2021.

NOTE 12 – DATE OF MANAGEMENT'S EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 21, 2022, 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, 2021, and have issued our report thereon dated December 21, 2022. 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
December 21, 2022

SINGLE AUDIT INFORMATION



BROWN, GRAHAM & COMPANY
PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Directors
Williamson County Crisis Center

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Williamson County Crisis Center's (dba Hope Alliance) (a nonprofit corporation) (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2021. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Williamson County Crisis Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Brown, Graham & Company, P.C.

Austin, Texas
December 21, 2022

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021**

Program	Federal CFDA Number	Agency Pass-Through Number	Total Federal Expenditures
<u>U.S. Department of Treasury</u>			
Coronavirus Relief Fund			
Passed through Williamson County	21.019		\$ <u>1,000,000</u>
<u>U.S. Department of Housing and Urban Development</u>			
Community Development Block Grants/Entitlement Grants			
Passed through Williamson County	14.218		<u>34,092</u>
<u>U.S. Department of Justice</u>			
Crime Victim Assistance			
Passed through Texas Office of the Governor- Criminal Justice Division	16.575	4182701	<u>232,242</u>
<u>Department of Homeland Security</u>			
Passed through Austin/Travis & Williamson Counties EFSP Board:			
Emergency Food and Shelter National Board Program	97.024	782400-013 Cares	27,181
Emergency Food and Shelter National Board Program	97.024	782400-013 Phase 38	<u>9,282</u>
Total Department of Homeland Security passed through Austin/Travis & Williamson Counties EFSP Board			<u>36,463</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Texas Health and Human Services Commission:			
Social Services Block Grant	93.667	HHS000380000056	13,599
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	HHS000380000056	79,603
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	HHS000380000056-1	12,697
Temporary Assistance for Needy Families	93.558	HHS000380000056	131,605
Temporary Assistance for Needy Families	93.558	HHS000380000056-2	<u>19,406</u>
Total passed through the Texas Health and Human Services Commission			<u>256,910</u>
Passed through the Office of the Attorney General:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	2005213	8,734
Injury Prevention and Control Research and State and Community Based Programs	93.136	2112886	<u>88,130</u>
Total passed through the Office of the Attorney General			<u>96,864</u>
Total U.S. Department of Health and Human Services			<u>353,774</u>
Total Expenditures of Federal Awards			<u>\$ <u>1,656,571</u></u>

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
YEAR ENDED DECEMBER 31, 2021**

Notes to the Schedule of Expenditures of Federal Awards

Basis of presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Williamson County Crisis Center (the Organization) for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, change in net position, or cash flows of the Organization.

Summary of significant accounting policies and basis of presentation

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Organization did not make an election to use the ten percent de minimis cost rate as allowed for in the Uniform Guidance.

**WILLIAMSON COUNTY CRISIS CENTER
(A NONPROFIT CORPORATION)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

	Yes	No
SECTION I - SUMMARY OF AUDITOR'S RESULTS		
<u>Financial Statements</u>		
Type of auditor's report issued: <u>Unmodified</u>		
Internal control over financial reporting:		
Material weakness identified?		X
Significant deficiencies identified that are not considered to be a material weakness?		X
Noncompliance material to financial statements noted?		X
<u>Federal Awards</u>		
Internal control over major programs:		
Material weakness identified?		X
Significant deficiencies identified that are not considered to be a material weakness?		X
Type of auditor's report issued on compliance with major programs: <u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)		X
Identification of major program:		
<u>CFDA Number</u> 21.019 Coronavirus Relief Fund		
Dollar threshold used to distinguish between type A and B programs <u>\$750,000</u>		
Auditee qualified as low-risk auditee?		X

**WILLIAMSON COUNTY CRISIS CENTER
 (A NONPROFIT CORPORATION)
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
 YEAR ENDED DECEMBER 31, 2021**

	<u>Yes</u>	<u>No</u>
SECTION II - FINANCIAL STATEMENT FINDINGS		
Prior year		X
Current year		X
 SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS		
Prior year	N/A	N/A
Current year		X