

Crisis Assistance Center, Inc.

(formerly Montgomery County Emergency Assistance, Inc.)

Financial Statements

**For the Years Ended
September 30, 2015 and 2014**



**Seefeld
Lawson
Moeller LLP**
Certified Public Accountants

Crisis Assistance Center, Inc.
(formerly Montgomery County Emergency Assistance, Inc.)
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Crisis Assistance Center, Inc.

We have audited the accompanying financial statements of Crisis Assistance Center, Inc., formerly Montgomery County Emergency Assistance, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 entity'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 entity'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 Crisis Assistance Center, Inc., formerly Montgomery County Emergency Assistance, Inc., as of September 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Seefeld Lawson Moeller LLP

Seefeld Lawson Moeller LLP
Certified Public Accountants

The Woodlands, Texas
February 16, 2016

Crisis Assistance Center, Inc.

(formerly Montgomery County Emergency Assistance, Inc.)

Statements of Financial Position

September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and Cash Equivalents	\$ 727,196	\$ 722,631
Accounts Receivable	3,887	-
Property and Equipment, Net	<u>148,357</u>	<u>169,419</u>
TOTAL ASSETS	<u>\$ 879,440</u>	<u>\$ 892,050</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 38,807	\$ 37,841
Due to Others	<u>2,626</u>	<u>2,793</u>
TOTAL LIABILITIES	<u>41,433</u>	<u>40,634</u>
NET ASSETS		
Unrestricted	697,740	826,564
Temporarily Restricted	<u>140,267</u>	<u>24,852</u>
TOTAL NET ASSETS	<u>838,007</u>	<u>851,416</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 879,440</u>	<u>\$ 892,050</u>

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

Crisis Assistance Center, Inc.
(formerly Montgomery County Emergency Assistance, Inc.)
Statement of Activities
For the Year Ended September 30, 2015

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Montgomery County	\$ 219,124	\$ -	\$ 219,124
Montgomery County United Way	443,988	-	443,988
Federal, State, and Local Grants	-	206,032	206,032
General Public, Fundraisers and Other	409,868	92,500	502,368
Resale Shop	40,941	-	40,941
Interest on Investments	1,611	-	1,611
Other Income	5,517	-	5,517
TOTAL SUPPORT AND REVENUE	1,121,049	298,532	1,419,581
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments - Grants	98,749	(98,749)	-
Restrictions Satisfied by Payments - Other	84,368	(84,368)	-
Total Support and Revenue and Reclassifications	1,304,166	115,415	1,419,581
EXPENSES			
Program Services	1,035,034	-	1,035,034
Supporting Services			
Management and General	297,655	-	297,655
Fundraising	100,301	-	100,301
TOTAL EXPENSES	1,432,990	-	1,432,990
CHANGE IN NET ASSETS	(128,824)	115,415	(13,409)
NET ASSETS, beginning of year	826,564	24,852	851,416
NET ASSETS, end of year	\$ 697,740	\$ 140,267	\$ 838,007

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

Crisis Assistance Center, Inc.
 (formerly Montgomery County Emergency Assistance, Inc.)
Statement of Activities
For the Year Ended September 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Montgomery County	\$ 219,124	\$ -	\$ 219,124
Montgomery County United Way	404,989	-	404,989
Federal, State, and Local Grants	75,000	163,470	238,470
General Public, Fundraisers and Other	489,957	77,838	567,795
Resale Shop	65,240	-	65,240
Interest on Investments	244	-	244
Other Income	2,237	-	2,237
TOTAL SUPPORT AND REVENUE	1,256,791	241,308	1,498,099
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments - Grants	149,746	(149,746)	-
Restrictions Satisfied by Payments - Other	67,621	(67,621)	-
Total Support and Revenue and Reclassifications	1,474,158	23,941	1,498,099
EXPENSES			
Program Services	1,166,018	-	1,166,018
Supporting Services			
Management and General	282,571	-	282,571
Fundraising	91,290	-	91,290
TOTAL EXPENSES	1,539,879	-	1,539,879
CHANGE IN NET ASSETS	(65,721)	23,941	(41,780)
NET ASSETS, beginning of year	892,285	911	893,196
NET ASSETS, end of year	\$ 826,564	\$ 24,852	\$ 851,416

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

Crisis Assistance Center, Inc.
(formerly Montgomery County Emergency Assistance, Inc.)
Statement of Functional Expenses
For the Year Ended September 30, 2015

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Advertising	\$ -	\$ 1,959	\$ 5,876	\$ 7,835
Client and Other Assistance	74,691	-	-	74,691
Client Drugs and Medical	3,441	-	-	3,441
Client Food	195,562	-	-	195,562
Client Shelter and Housing	153,428	-	-	153,428
Client Utilities Assistance	161,926	-	-	161,926
Depreciation	13,058	5,897	2,106	21,061
Employee Benefits	26,467	11,953	4,269	42,689
Fundraising	-	-	23,816	23,816
Information Technology	6,834	3,086	1,102	11,022
Insurance	-	18,230	-	18,230
Meetings and Seminars	7,669	3,463	1,237	12,369
Office Supplies	13,803	6,234	2,226	22,263
Other	8,210	-	-	8,210
Payroll and Other Taxes	331,145	149,549	53,410	534,104
Postage	1,252	565	202	2,019
Printing	1,380	623	223	2,226
Professional Fees	-	27,610	-	27,610
Rent	-	52,152	-	52,152
Repairs and Maintenance	13,135	5,932	2,119	21,186
Telephone	7,238	3,269	1,167	11,674
Travel	5,162	2,331	833	8,326
Utilities	10,633	4,802	1,715	17,150
TOTAL	\$ 1,035,034	\$ 297,655	\$ 100,301	\$ 1,432,990

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

Crisis Assistance Center, Inc.
(formerly Montgomery County Emergency Assistance, Inc.)
Statement of Functional Expenses
For the Year Ended September 30, 2014

	Supporting Services			Total
	Program Services	Management and General	Fundraising	
Advertising	\$ -	\$ 1,826	\$ 5,477	\$ 7,303
Client and Other Assistance	99,633	-	-	99,633
Client Drugs and Medical	3,938	-	-	3,938
Client Food	227,368	-	-	227,368
Client Shelter and Housing	232,726	-	-	232,726
Client Utilities Assistance	191,651	-	-	191,651
Depreciation	14,239	6,430	2,297	22,966
Employee Benefits	27,241	12,302	4,394	43,937
Fundraising	-	-	19,603	19,603
Information Technology	10,459	4,723	1,687	16,869
Insurance	-	11,208	-	11,208
Meetings and Seminars	3,886	1,755	627	6,268
Office Supplies	11,024	4,978	1,778	17,780
Other	199	-	-	199
Payroll and Other Taxes	295,555	133,477	47,670	476,702
Postage	1,017	459	164	1,640
Printing	1,850	836	298	2,984
Professional Fees	-	33,218	-	33,218
Rent	-	50,933	-	50,933
Repairs and Maintenance	23,590	10,653	3,805	38,048
Telephone	6,568	2,966	1,059	10,593
Travel	4,168	1,882	672	6,722
Utilities	10,906	4,925	1,759	17,590
TOTAL	\$ 1,166,018	\$ 282,571	\$ 91,290	\$ 1,539,879

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

Crisis Assistance Center, Inc.
(formerly Montgomery County Emergency Assistance, Inc.)
Statements of Cash Flows
For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (13,409)	\$ (41,780)
Adjustment to reconcile change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Depreciation	21,062	22,966
(Increase) Decrease in Operating Assets		
Accounts Receivable	(3,887)	-
Prepaid Expenses	-	4,000
Increase (Decrease) in Operating Liabilities		
Accounts Payable and Accrued Liabilities	966	(4,326)
Due to Others	(167)	(406)
Net Cash Provided (Used) by Operating Activities	<u>4,565</u>	<u>(19,546)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	<u>-</u>	<u>(5,122)</u>
Net Cash Used by Investing Activities	<u>-</u>	<u>(5,122)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,565	(24,668)
CASH AND CASH EQUIVALENTS, beginning of year	<u>722,631</u>	<u>747,299</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 727,196</u>	<u>\$ 722,631</u>

There were no cash flows from financing activities for the years ended September 30, 2015 and 2014.

Crisis Assistance Center, Inc.
(formerly Montgomery County Emergency Assistance, Inc.)
Notes to Financial Statements
September 30, 2015 and 2014

NOTE 1 – Organization and Nature of Activities

Crisis Assistance Center, Inc., formerly Montgomery County Emergency Assistance, Inc., (the “Organization”) was incorporated in Texas as a not-for-profit organization on June 1, 1981. The Organization was established primarily to provide emergency financial assistance and food to qualified residents of Montgomery County. The Organization provides rent, utility, prescription, childcare and transportation assistance, along with other miscellaneous forms of aid, plus tangible assistance including groceries and clothing.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

The Organization uses the accrual basis of accounting. Revenues are recognized when they are earned. Expenses are recognized when they are incurred.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets:

- ***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 can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.
- ***Permanently restricted net assets:*** Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned on the assets.

In addition, the Organization is required to present a statement of cash flow.

Property and Equipment

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment are carried at cost. Depreciation is computed using the straight-line method over five to twenty year estimated useful lives. Maintenance and repairs are charged to expense and major improvements are capitalized. Any gain or loss on retirement, sale or other disposition of the equipment is recognized as revenue or expense. Donated equipment is valued at fair market value and its related depreciation is computed using the straight-line method.

Crisis Assistance Center, Inc.
(formerly Montgomery County Emergency Assistance, Inc.)
Notes to Financial Statements
September 30, 2015 and 2014

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

Fair Value of Financial Instruments

The carrying amounts reported in the statements of financial position for cash and cash equivalents approximate their fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable is comprised of grant and other receivables. Grant receivables are stated as reimbursable expenditures due from the grantor. No allowance for bad debts is recorded as revenue received is from third party reimbursements with state and local government agencies.

Concentration of Credit Risk

The Organization maintains cash in deposit accounts with several federally insured banks. The cash balances at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000 of the balance. At September 30, 2015 and 2014, the amounts in excess of insured limits are approximately \$255,676 and \$239,841, respectively.

Subsequent Events

The Organization has evaluated subsequent events through February 16, 2016, the date the financial statements were available to be issued.

Crisis Assistance Center, Inc.
(formerly Montgomery County Emergency Assistance, Inc.)
Notes to Financial Statements
September 30, 2015 and 2014

NOTE 3 – Property and Equipment

Property and equipment consisted of the following at September 30:

	<u>2015</u>	<u>2014</u>
Land	\$ 55,997	\$ 55,997
Building and Improvements	356,468	356,468
Furniture and Equipment	45,083	45,083
Automobile	<u>13,000</u>	<u>13,000</u>
Total Property and Equipment	470,548	470,548
Accumulated Depreciation	<u>(322,191)</u>	<u>(301,129)</u>
Property and Equipment, Net	<u>\$ 148,357</u>	<u>\$ 169,419</u>

Depreciation expense for the years ended September 30, 2015 and 2014 amounted to \$21,062 and \$22,966, respectively.

NOTE 4 – Grants

The following is a summary of federal, state, and local grant revenues for the years ended September 30, 2015 and 2014. There were also local funds to support these programs.

	<u>2015</u>	<u>2014</u>
Restricted:		
Federal Emergency Management Agency	\$ 65,163	\$ 61,500
Montgomery County Community Foundation	11,000	-
HUD Continuum of Care-Permanent	91,805	89,959
HUD Continuum of Care-Transitional	38,064	12,011
Total Restricted Grants	<u>206,032</u>	<u>163,470</u>
Unrestricted:		
Houston Endowment	-	75,000
Montgomery County	219,124	219,124
Montgomery County United Way	443,988	404,989
Total Unrestricted Grants	<u>663,112</u>	<u>699,113</u>
Total Grants	<u>\$ 869,144</u>	<u>\$ 862,583</u>

Crisis Assistance Center, Inc.
(formerly Montgomery County Emergency Assistance, Inc.)
Notes to Financial Statements
September 30, 2015 and 2014

NOTE 5 – Donated Materials and Services

A substantial number of unpaid volunteers (including the Board of Directors) have made significant contributions of their time for the Organization's benefit. Management estimates that 4,739 and 5,170 hours of volunteer time is utilized for the years ended September 30, 2015 and 2014, respectively. The value of this time is not reflected in these financial statements. There are also donations of food and other items to the Organization. These items are then in turn provided to families in Montgomery County. Management has estimated the value of the food to be \$261,312 and \$212,827 for the years ended September 30, 2015 and 2014, respectively. The values of these donations are reflected in the financial statements.

NOTE 6 – Office Lease

The Organization occupies six separate offices for use in its operations. The main office, located in Conroe, is owned by the Organization. The New Caney and Willis offices are occupied free of charge, courtesy of Montgomery County. The office in Magnolia, is a shared space with Society of Samaritans and is also occupied free of charge. The Woodlands office is shared space with the Montgomery County United Way and is occupied free of charge. The Organization also occupies an office in Montgomery free of charge. The Conroe office houses a clothing voucher room at its Lewis Street building. The Organization signed a lease in Conroe for the resale shop that began in October 2012. The lease will expire in February 2016 and will not be renewed. For the year ended 2016, the future minimum lease payments under the operating lease will be \$16,000.

Rental expense for the years ended September 30, 2015 and 2014 amounted to \$52,152 and \$50,933, respectively.

NOTE 7 – Retirement Plan

The Organization maintains a SIMPLE IRA retirement plan. The organization contributes to the SIMPLE IRA a matching contribution equal to an employee's salary reduction up to a limit of 3% of their annual salary. Contributions totaling \$4,409 and \$6,396 for the years ended September 30, 2015 and 2014, respectively, were made by the Organization, in addition to the elective deferrals made by employees.