

Crisis Assistance Center, Inc.

Financial Statements

**For the Years Ended
September 30, 2016 and 2015**



**Seefeld
Lawson
Moeller LLP**
Certified Public Accountants

Crisis Assistance Center, Inc.

Table of Contents

Independent Auditor's Report	1
------------------------------------	---

FINANCIAL STATEMENTS

Statements of Financial Position.....	2
---------------------------------------	---

Statements of Activities.....	3
-------------------------------	---

Statements of Functional Expenses.....	5
--	---

Statements of Cash Flows.....	7
-------------------------------	---

Notes to Financial Statements.....	8
------------------------------------	---



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. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2016 and 2015, 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. as of September 30, 2016 and 2015, 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
March 13, 2017

Crisis Assistance Center, Inc.
Statements of Financial Position
September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and Cash Equivalents	\$ 753,521	\$ 727,196
Accounts Receivable	4,098	3,887
Property and Equipment, Net	<u>138,180</u>	<u>148,357</u>
TOTAL ASSETS	<u>\$ 895,799</u>	<u>\$ 879,440</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 23,925	\$ 38,807
Due to Others	<u>2,396</u>	<u>2,626</u>
TOTAL LIABILITIES	<u>26,321</u>	<u>41,433</u>
NET ASSETS		
Unrestricted	736,794	697,740
Temporarily Restricted	<u>132,684</u>	<u>140,267</u>
TOTAL NET ASSETS	<u>869,478</u>	<u>838,007</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 895,799</u>	<u>\$ 879,440</u>

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

Crisis Assistance Center, Inc.
Statement of Activities
For the Year Ended September 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Montgomery County	\$ 220,708	\$ -	\$ 220,708
United Way	455,745	-	455,745
Federal, State, and Local Grants	75,000	75,730	150,730
General Public, Fundraisers and Other	297,365	140,954	438,319
Resale Shop	17,832	-	17,832
Interest on Investments	161	-	161
Other Income	608	-	608
TOTAL SUPPORT AND REVENUE	1,067,419	216,684	1,284,103
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments - Grants	148,348	(148,348)	-
Restrictions Satisfied by Payments - Other	75,919	(75,919)	-
Total Support and Revenue and Reclassifications	1,291,686	(7,583)	1,284,103
EXPENSES			
Program Services	916,612	-	916,612
Supporting Services			
Management and General	232,119	-	232,119
Fundraising	103,901	-	103,901
TOTAL EXPENSES	1,252,632	-	1,252,632
CHANGE IN NET ASSETS	39,054	(7,583)	31,471
NET ASSETS, beginning of year	697,740	140,267	838,007
NET ASSETS, end of year	\$ 736,794	\$ 132,684	\$ 869,478

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

Crisis Assistance Center, Inc.
Statement of Activities
For the Year Ended September 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Montgomery County	\$ 219,124	\$ -	\$ 219,124
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.
Statement of Functional Expenses
For the Year Ended September 30, 2016

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Advertising	\$ -	\$ 1,805	\$ 5,416	\$ 7,221
Client and Other Assistance	99,232	-	-	99,232
Client Drugs and Medical	4,579	-	-	4,579
Client Food	92,761	-	-	92,761
Client Shelter and Housing	191,715	-	-	191,715
Client Utilities Assistance	140,475	-	-	140,475
Depreciation	13,058	5,898	2,106	21,062
Employee Benefits	13,930	6,290	2,247	22,467
Fundraising	-	-	36,810	36,810
Information Technology	11,292	5,101	1,821	18,214
Insurance	-	19,572	-	19,572
Meetings and Seminars	5,207	2,352	840	8,399
Office Supplies	7,607	3,435	1,227	12,269
Other	5,463	-	-	5,463
Payroll, Related Taxes, and Fees	301,211	136,031	48,582	485,824
Postage	447	203	72	722
Printing	477	215	77	769
Professional Fees	-	22,052	-	22,052
Rent	-	16,000	-	16,000
Repairs and Maintenance	16,154	7,295	2,605	26,054
Telephone	5,202	2,348	839	8,389
Travel	1,249	564	202	2,015
Utilities	6,553	2,958	1,057	10,568
TOTAL	\$ 916,612	\$ 232,119	\$ 103,901	\$ 1,252,632

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

Crisis Assistance Center, 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	5,898	2,106	21,062
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, Related Taxes, and Fees	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	4,801	1,715	17,149
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.
Statements of Cash Flows
For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 31,471	\$ (13,409)
Adjustment to reconcile change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	21,062	21,062
(Increase) Decrease in Operating Assets		
Accounts Receivable	(211)	-
Prepaid Expenses	-	(3,887)
Increase (Decrease) in Operating Liabilities		
Accounts Payable and Accrued Liabilities Due to Others	(14,882)	966
	<u>(230)</u>	<u>(167)</u>
Net Cash Provided by Operating Activities	<u>37,210</u>	<u>4,565</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	<u>(10,885)</u>	<u>-</u>
Net Cash Used by Investing Activities	<u>(10,885)</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	26,325	4,565
CASH AND CASH EQUIVALENTS, beginning of year	<u>727,196</u>	<u>722,631</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 753,521</u></u>	<u><u>\$ 727,196</u></u>

There were no cash flows from financing activities for the years ended September 30, 2016 and 2015.

Crisis Assistance Center, Inc.

Notes to Financial Statements

September 30, 2016 and 2015

NOTE 1 – Organization and Nature of Activities

Crisis Assistance Center, 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 accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when they are earned. Expenses are recognized when they are incurred.

Basis of Presentation

The Organization reports information regarding its net assets and changes in net assets according to three classes of assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- *Unrestricted net assets:* Net assets that are not subject to donor-imposed stipulations.
- *Temporarily restricted net assets:* Net assets subject to donor-imposed stipulations that 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. (The Organization has no permanently restricted net 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.

Notes to Financial Statements

September 30, 2016 and 2015

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 accounting principles generally accepted in the United States 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, 2016 and 2015, the amounts in excess of insured limits are approximately \$274,777 and \$255,676, respectively.

Date of Management's Review

The Organization has evaluated subsequent events through March 13, 2017, the date the financial statements were available to be issued.

Crisis Assistance Center, Inc.
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 3 – Property and Equipment

Property and equipment consisted of the following at September 30:

	<u>2016</u>	<u>2015</u>
Land	\$ 55,997	\$ 55,997
Building and Improvements	356,468	356,468
Furniture and Equipment	55,968	45,083
Automobile	<u>13,000</u>	<u>13,000</u>
Total Property and Equipment	481,433	470,548
Accumulated Depreciation	<u>(343,253)</u>	<u>(322,191)</u>
Property and Equipment, Net	<u>\$ 138,180</u>	<u>\$ 148,357</u>

Depreciation expense for the years ended September 30, 2016 and 2015 amounted to \$21,062 and \$21,062, respectively.

NOTE 4 – Grants

The following is a summary of federal, state, and local grant revenues at September 30: There were also local funds to support these programs.

	<u>2016</u>	<u>2015</u>
Restricted:		
Federal Emergency Management Agency	\$ -	\$ 65,163
Montgomery County Community Foundation	7,000	11,000
HUD Continuum of Care-Permanent	45,554	91,805
HUD Continuum of Care-Transitional	23,176	38,064
Total Restricted Grants	<u>75,730</u>	<u>206,032</u>
Unrestricted:		
Houston Endowment	75,000	-
Montgomery County	220,708	219,124
United Way	455,745	443,988
Total Unrestricted Grants	<u>751,453</u>	<u>663,112</u>
Total Grants	<u>\$ 827,183</u>	<u>\$ 869,144</u>

Crisis Assistance Center, Inc.
Notes to Financial Statements
September 30, 2016 and 2015

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 3,563 and 4,739 hours of volunteer time is utilized for the years ended September 30, 2016 and 2015, 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 these items to be \$168,424 and \$261,312 for the years ended September 30, 2016 and 2015, respectively. The values of these donations are reflected in the financial statements.

NOTE 6 – Office Lease

The Organization’s main office is located in Conroe and is owned by the Organization. This office also houses a clothing voucher room located on the back of the main office property, with an address on Lewis Street. The Organization signed a lease for a resale shop in October 2012, which expired February 2016 and was not renewed. The resale shop was located on Frazier Street in Conroe. There are no additional offices, as all services are provided through the Conroe location. Rental expense for the year ended September 30, 2016 and 2015 was \$16,000 and \$52,152, respectively.

NOTE 7 – Operating Lease (Equipment)

The Organization leases copiers under operating leases expiring in 2017 and 2021. The following is a schedule of future minimum lease payments required under the lease as of September 30:

Year Ending September 30	Amount
2017	\$ 7,141
2018	5,243
2019	5,243
2020	5,243
2021	1,311
Total Minimum Lease Payments	<u>\$ 24,180</u>

NOTE 8 – 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 \$4,389 and \$4,409 for the years ended September 30, 2016 and 2015, respectively, were made by the Organization, in addition to the elective deferrals made by employees.