

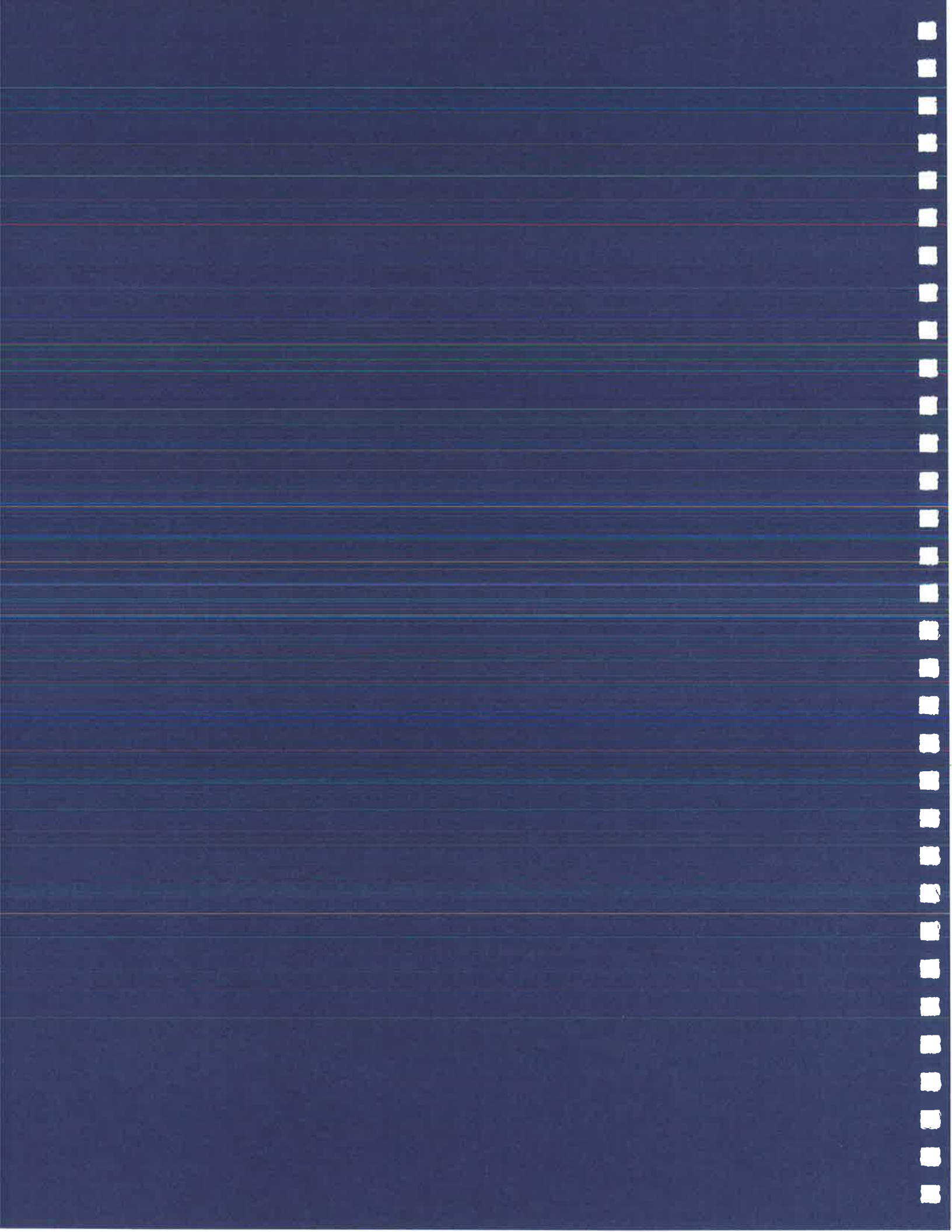
Crisis Assistance Center, Inc.

Financial Statements

**For the Years Ended
September 30, 2017 and 2016**



**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, 2017 and 2016, 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, 2017 and 2016, 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
January 16, 2018

Crisis Assistance Center, Inc.
Statements of Financial Position
September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,254,702	\$ 753,521
Accounts Receivable	-	4,098
Property and Equipment, Net	<u>119,654</u>	<u>138,180</u>
TOTAL ASSETS	<u>\$ 1,374,356</u>	<u>\$ 895,799</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 47,598	\$ 23,925
Due to Others	<u>10,538</u>	<u>2,396</u>
TOTAL LIABILITIES	<u>58,136</u>	<u>26,321</u>
NET ASSETS		
Unrestricted	1,110,853	736,794
Temporarily Restricted	<u>205,367</u>	<u>132,684</u>
TOTAL NET ASSETS	<u>1,316,220</u>	<u>869,478</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,374,356</u>	<u>\$ 895,799</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, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Montgomery County	\$ 230,388	\$ -	\$ 230,388
United Way	568,922	-	568,922
Federal, State, and Local Grants	35,000	187,194	222,194
General Public, Fundraisers and Other	403,662	154,497	558,159
Resale Shop	10,493	-	10,493
Interest	218	-	218
Other	1,500	-	1,500
Net Assets Released from Restrictions	269,008	(269,008)	-
TOTAL SUPPORT AND REVENUE	1,519,191	72,683	1,591,874
EXPENSES			
Program Services	817,038	-	817,038
Supporting Services			
Management and General	228,690	-	228,690
Fundraising	99,404	-	99,404
TOTAL EXPENSES	1,145,132	-	1,145,132
CHANGE IN NET ASSETS	374,059	72,683	446,742
NET ASSETS, beginning of year	736,794	132,684	869,478
NET ASSETS, end of year	\$ 1,110,853	\$ 205,367	\$ 1,316,220

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	161	-	161
Other	608	-	608
Net Assets Released from Restrictions	224,267	(224,267)	-
TOTAL SUPPORT AND REVENUE	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 Functional Expenses
For the Year Ended September 30, 2017

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Advertising	\$ -	\$ 1,971	\$ 5,914	\$ 7,885
Client and Other Assistance	57,967	-	-	57,967
Client Drugs and Medical	2,575	-	-	2,575
Client Food	48,996	-	-	48,996
Client Shelter and Housing	179,690	-	-	179,690
Client Utilities Assistance	100,909	-	-	100,909
Depreciation	11,486	5,187	1,853	18,526
Employee Benefits	7,205	3,254	1,162	11,621
Fundraising	-	-	25,053	25,053
Information Technology	10,485	4,735	1,691	16,911
Insurance	-	11,105	-	11,105
Meetings and Seminars	6,623	2,991	1,065	10,679
Office Supplies	7,704	3,479	1,243	12,426
Other	2,570	-	-	2,570
Payroll, Related Taxes, and Fees	350,722	158,390	56,568	565,680
Postage	475	214	76	765
Printing	165	74	27	266
Professional Fees	-	23,982	-	23,982
Rent	-	-	-	-
Repairs and Maintenance	17,831	8,053	2,876	28,760
Telephone	4,757	2,148	767	7,672
Travel	1,515	685	244	2,444
Utilities	5,363	2,422	865	8,650
TOTAL	\$ 817,038	\$ 228,690	\$ 99,404	\$ 1,145,132

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.
Statements of Cash Flows
For the Years Ended September 30, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 446,742	\$ 31,471
Adjustment to reconcile change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	18,526	21,062
Gain on Sale of Property and Equipment	(1,500)	-
(Increase) Decrease in Operating Assets		
Accounts Receivable	4,098	(211)
Increase (Decrease) in Operating Liabilities		
Accounts Payable and Accrued Liabilities	23,673	(14,882)
Due to Others	8,142	(230)
Net Cash Provided by Operating Activities	<u>499,681</u>	<u>37,210</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	-	(10,885)
Sale of Property and Equipment	1,500	-
Net Cash Provided (Used) by Investing Activities	<u>1,500</u>	<u>(10,885)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	501,181	26,325
CASH AND CASH EQUIVALENTS, beginning of year	<u>753,521</u>	<u>727,196</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,254,702</u>	<u>\$ 753,521</u>

There were no cash flows from financing activities for the years ended September 30, 2017 and 2016.

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

Crisis Assistance Center, Inc.

Notes to Financial Statements

September 30, 2017 and 2016

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.

In September 2017, the Organization’s board of directors approved the change of the Organization’s fiscal year end from September 30 to December 31. A three-month fiscal transition period from October 1, 2017 through December 31, 2017, precedes the start of the new fiscal-year cycle.

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.

Crisis Assistance Center, Inc.
Notes to Financial Statements
September 30, 2017 and 2016

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.

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.

Due to Others

The Organization receives funds from various churches during the year that are to be paid to specific designees as determined by the churches. Due to the pass through nature of these transactions, these funds are not recognized as contribution income. Due to Others represents the amount of funds received from various churches but not yet distributed.

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 (GAAP) 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.

Crisis Assistance Center, Inc.

Notes to Financial Statements

September 30, 2017 and 2016

Concentration of Credit Risk

The Organization maintains cash in deposit accounts with federally insured banks. The cash balances in these accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 of the balance. At September 30, 2017 and 2016, the amounts in excess of insured limits are approximately \$746,952 and \$274,777, respectively.

Functional Allocation of Expenses

The costs of providing programs and supporting services have been summarized on a functional basis in the supporting statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Date of Management's Review

The Organization has evaluated subsequent events through January 16, 2018, the date the financial statements were available to be issued.

NOTE 3 – Property and Equipment

Property and equipment consisted of the following at September 30:

	<u>2017</u>	<u>2016</u>
Land	\$ 55,997	\$ 55,997
Building and Improvements	356,468	356,468
Furniture and Equipment	55,968	55,968
Automobile	-	13,000
	<u>468,433</u>	<u>481,433</u>
Total Property and Equipment	468,433	481,433
Accumulated Depreciation	<u>(348,779)</u>	<u>(343,253)</u>
Property and Equipment, Net	<u>\$ 119,654</u>	<u>\$ 138,180</u>

Depreciation expense for the years ended September 30, 2017 and 2016 amounted to \$18,526 and \$21,062, respectively.

Crisis Assistance Center, Inc.
Notes to Financial Statements
September 30, 2017 and 2016

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>2017</u>	<u>2016</u>
Restricted:		
Federal Emergency Management Agency	\$ 40,000	\$ -
Montgomery County Community Foundation	5,000	7,000
HUD Continuum of Care-Permanent	139,438	45,554
HUD Continuum of Care-Transitional	2,756	23,176
Total Restricted Grants	<u>187,194</u>	<u>75,730</u>
Unrestricted:		
Houston Endowment	35,000	75,000
Montgomery County	230,388	220,708
United Way	568,922	455,745
Total Unrestricted Grants	<u>834,310</u>	<u>751,453</u>
 Total Grants	 <u>\$ 1,021,504</u>	 <u>\$ 827,183</u>

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 4,613 and 3,563 hours of volunteer time is utilized for the years ended September 30, 2017 and 2016, 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 \$95,170 and \$168,424 for the years ended September 30, 2017 and 2016, 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 years ended September 30, 2017 and 2016 was \$-0- and \$16,000, respectively.

Crisis Assistance Center, Inc.

Notes to Financial Statements

September 30, 2017 and 2016

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
2018	\$ 5,243
2019	5,243
2020	5,243
2021	1,311
Total Minimum Lease Payments	<u>\$ 17,040</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 \$5,532 and \$4,389 for the years ended September 30, 2017 and 2016, respectively, were made by the Organization, in addition to the elective deferrals made by employees.

NOTE 9 – Reclassification

Certain amounts for the year ending September 30, 2016 have been reclassified in these comparative financial statements to conform to their 2017 classification. These reclassifications had no effect on the change in net assets.

