

CRISIS CENTER OF COMAL COUNTY
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
AUGUST 31, 2017

CRISIS CENTER OF COMAL COUNTY

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Independent Auditor's Report

To the Board of Directors of
Crisis Center of Comal County

I have audited the accompanying financial statements of Crisis Center of Comal County, (a nonprofit organization), which comprise the statement of financial position as of August 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Crisis Center of Comal County, as of August 31, 2017, 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.

Linda Tenney Gonyea, CPA

San Marcos, Texas
December 29, 2017

CRISIS CENTER OF COMAL COUNTY
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2017

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 423,020
Grants receivables	80,273
TOTAL CURRENT ASSETS	503,293
PROPERTY AND EQUIPMENT, net of accumulated depreciation	
	292,407
TOTAL ASSETS	\$ 795,700

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Payroll liabilities	\$ 36,375
TOTAL CURRENT LIABILITIES	36,375
NET ASSETS	
Unrestricted	743,520
Temporarily restricted	15,805
TOTAL NET ASSETS	759,325
TOTAL LIABILITIES AND NET ASSETS	\$ 795,700

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

CRISIS CENTER OF COMAL COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2017

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Grants	\$ 1,000	\$ 793,792	\$ 794,792
Contributions	203,090	58,090	261,180
In-kind contributions	256,714	-	256,714
Other income	8,976	-	8,976
Interest income	75	-	75
TOTAL SUPPORT AND REVENUE	469,855	851,882	1,321,737
Net assets released from restrictions- satisfied by payment	840,806	(840,806)	-
TOTAL SUPPORT AND REVENUE	1,310,661	11,076	1,321,737
EXPENSES			
Program services	1,045,770	-	1,045,770
Supporting services			
Management and general	298,300	-	298,300
Fundraising	522	-	522
TOTAL EXPENSES	1,344,592	-	1,344,592
CHANGE IN NET ASSETS	(33,931)	11,076	(22,855)
NET ASSETS, BEGINNING OF YEAR	782,180	-	782,180
NET ASSETS, END OF YEAR	\$ 748,249	\$ 11,076	\$ 759,325

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

CRISIS CENTER OF COMAL COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2017

	Supporting Services			Total	
	Program Services	Management and General	Fundraising	Supporting Services	Total
Payroll and related expenses	\$ 645,281	\$ 141,646	\$ -	\$ 141,646	\$ 786,927
In-kind expenses	256,714	-	-	-	256,714
Professional fees	45,445	-	-	-	45,445
Maintenance	-	18,834	-	18,834	18,834
Building costs	-	27,179	-	27,179	27,179
Shelter supplies	40,729	-	-	-	40,729
Program supplies	8,535	-	-	-	8,535
Accounting/bookkeeping	-	3,735	-	3,735	3,735
Depreciation	-	16,603	-	16,603	16,603
Office expenses	-	33,032	-	33,032	33,032
Utilities	-	17,012	-	17,012	17,012
Client assistance	20,105	-	-	-	20,105
Fundraising	-	-	522	522	522
Insurance	-	10,284	-	10,284	10,284
Printing	-	9,175	-	9,175	9,175
Telephone	-	10,023	-	10,023	10,023
Travel	16,543	-	-	-	16,543
Equipment	-	6,287	-	6,287	6,287
Miscellaneous	-	2,672	-	2,672	2,672
Advertising	-	1,818	-	1,818	1,818
Training expenses	7,950	-	-	-	7,950
Conferences	4,469	-	-	-	4,469
	<u>\$ 1,045,770</u>	<u>\$ 298,300</u>	<u>\$ 522</u>	<u>\$ 298,822</u>	<u>\$ 1,344,592</u>

The accompanying notes are an integral of these financial statements.

CRISIS CENTER OF COMAL COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (22,855)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation expense	16,603
Change in accounts receivables	39,300
Change in liabilities	<u>11,660</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>44,708</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment in capital assets	<u>(8,030)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(8,030)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	36,678
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>386,342</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 423,020</u></u>
Supplementary information	
Interest paid	\$ -
Income taxes paid	\$ -

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

CRISIS CENTER OF COMAL COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Crisis Center of Comal County is a non-profit organization whose purpose is providing services for victims of domestic violence or sexual assault. The Center provides a twenty-four hour a day shelter, crisis hot line, counseling, victim advocacy and referral and information services. The Center operates in Comal County, Texas. The Center is supported primarily through contributions and several government contracts.

The organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not for profits. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however the actual results could differ from those estimates.

Net Assets

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Temporarily Restricted Net Assets

Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The organization's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restrictions is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Net assets restricted for acquisition of buildings or equipment are reported as temporarily restricted until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use. Temporarily restricted net assets totaled \$15,805 at year end.

CRISIS CENTER OF COMAL COUNTY
NOTES TO FINANCIAL STATEMENTS

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

Permanently Restricted Net Assets

Permanently restricted net assets are resources whose use by the organization is limited by donor-imposed restrictions that neither expires by being used in accordance with a donor's restriction nor by the passage of time. The portion of the organization's donor-restricted endowment funds that must be maintained in perpetuity are classified in this net asset class, as is the organization's beneficial interest in a perpetual charitable trust held by a bank trustee.

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in unrestricted net assets. Net losses on endowment investments reduce temporarily restricted net assets to the extent that net gains of the fund from prior years are unspent and classified there; remaining losses are classified as decreased in unrestricted net assets. If an endowment fund has no net gains from prior years, such as when a fund is newly established, net losses are classified as decreases in unrestricted net assets.

Cash Equivalents

For purposes of the statement of cash flows, the organization includes cash deposits accounts and short-term investments with maturities of less than three months to be cash and cash equivalents. As of August 31, 2017, the organization's cash and cash equivalents totaled \$423,020.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increase in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restriction. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

CRISIS CENTER OF COMAL COUNTY
NOTES TO FINANCIAL STATEMENTS

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

Expense Recognition and Allocation

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses.

Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expenses as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Tax Status

The organization is incorporated exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). The tax year ended is still open to audit for both federal and state purposes.

Fair Value Measurements

The organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. The hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 Inputs that are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Inputs that are unobservable for the asset or liability.

CRISIS CENTER OF COMAL COUNTY
NOTES TO FINANCIAL STATEMENTS

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

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The carrying amount of cash and cash equivalents, pledges and other receivables, accounts payables and accrued expenses approximates fair market value due to the short-term maturities of these investments.

Property and Equipment

Property and equipment are valued at cost if purchased and at fair market value when donated. Depreciation is provided using the straight-line method over the estimated useful lives.

Donated Services and materials

The Center reports donated materials and professional services received at fair value. Approximately \$256,714 in donated materials and professional services were received in 2017. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Center, but these services do not meet the criteria for recognition as contributed services.

Grants and Contracts

The Center considers all governmental grants and contracts to be exchange contracts and not contributions. The organization recognizes revenue from these transactions as services are rendered and expenses are incurred and billed.

NOTE B - COMMITMENTS AND CONTINGENCIES

The Center continues to participate in the federal and state funded programs. Under the terms of these contracts, the organization is subject to program compliance audits by the grantor or its representatives. Accordingly, the organization's compliance with applicable contract requirements could be established as some future date. If future program compliance audits results in questioned or disallowed costs, reimbursements would have to be made to the granting agencies. Accordingly, the amounts, if any, of such expenditures which might be disallowed by the grantor agencies cannot be determine as this time; however, the organization's management believes such amounts, if any, would be immaterial.

CRISIS CENTER OF COMAL COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE C - CONCENTRATIONS

Grants from government agencies represent approximately 60% of the organization's total support for the year ended August 31, 2017.

The organization's utilizes one financial institution for its cash deposits. However, cash deposits may exceed federally insured limits during the year. Federal Deposit Insurance Corporation insures cash deposits up to \$250,000. As of August 31, 2017, uninsured cash deposits totaled \$173,020. The organization has not experienced any losses as a result of the uninsured balance.

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment as of August 31, 2017 consisted of the following:

Building	\$530,258
Land	18,658
Playscape	6,895
Equipment and furniture	<u>104,100</u>
	659,911
Accumulated depreciation	<u>(367,504)</u>
	<u>\$292,407</u>

Depreciation expense for the year totaled \$16,603.

NOTE E - SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 29, 2017, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.