

The Christi Center, Inc.
FINANCIAL STATEMENTS
December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of The Christi Center, Inc.:

We have audited the accompanying financial statements of The Christi Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016, and the related statements of activities 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 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 Auditors' 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 reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

(Continued on next page)

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 The Christi Center, Inc. as of December 31, 2016, 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.

A handwritten signature in blue ink that reads "Aaron W Games, CPA, PLLC". The signature is fluid and cursive.

Aaron W Games, CPA, PLLC
Austin, Texas

August 31, 2017

The Christi Center, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2016

ASSETS

Current assets:

Cash & equivalents	\$ 240,706
Contributions receivable	8,048
Grants receivable	<u>3,629</u>
	252,383

Fixed assets:

Christi house	604,535
Furniture & equipment	<u>88,867</u>
	693,402
Accumulated depreciation	<u>(252,464)</u>
	440,938

Other assets:

Funds held in trust	<u>3,286</u>
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Total assets	<u><u>\$ 696,607</u></u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 2,227
Accrued liabilities	<u>6,402</u>
	8,629

Net assets:

Unrestricted	619,129
Temporarily restricted net assets	<u>68,849</u>
	<u>687,978</u>

Total liabilities and net assets	<u><u>\$ 696,607</u></u>
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The accompanying notes are an integral part of these financial statements.

The Christi Center, Inc.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016

UNRESTRICTED

Increases:

Contributions	\$ 191,416
Grants	138,502
Gifts in kind	2,597
Funds released from restriction for use of funds	31,366
Interest	59
	<u>363,940</u>

Decreases:

Program	288,130
Administrative	30,125
Fundraising	34,608
	<u>352,863</u>

Net increase in unrestricted net assets	11,077
Beginning unrestricted net assets	<u>608,052</u>
Ending unrestricted net assets	<u><u>\$ 619,129</u></u>

TEMPORARILY RESTRICTED NET ASSETS

Increases:

Grants	\$ 100,215
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Decreases:

Funds released from restriction for use of funds	<u>31,366</u>
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Net increase in temporarily restricted net assets	<u>68,849</u>
Ending temporarily restricted net assets	<u><u>\$ 68,849</u></u>

NET ASSETS IN TOTAL

Net increase in total net assets	\$ 79,926
Beginning total net assets	<u>608,052</u>
Ending total net assets	<u><u>\$ 687,978</u></u>

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

The Christi Center, Inc.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2016

Cash flows from operating activities:

Net increase in net assets	\$ 79,926
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	18,445
Decrease in accounts receivable	14,878
Decrease in accounts payable	(2,473)
Increase in accrued liabilities	1,915
	<u>112,691</u>

Cash flow from investing activities:

Cash payments for the purchase of property	<u>(692)</u>
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Net increase in cash and equivalents	111,999
Cash and equivalents, beginning of year	<u>128,707</u>
Cash and equivalents, end of year	<u><u>\$ 240,706</u></u>

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

The Christi Center, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Christi Center, Inc. (the "Organization") is a not-for-profit organization whose purpose is to provide help and ongoing support to individuals and families adjusting to life after the death of a loved one, regardless of the circumstances, and educating the general public and specific persons concerning the problems of individuals and families in such crises. The founders founded the organization after their daughter, Christi, was killed by a drunken driver.

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Use of Estimates

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 amount of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Cash and Cash Equivalents

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. The Organization maintains cash in federally insured accounts. No losses have been suffered in connection with such balances as of December 31, 2016.

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property and Equipment

Property and Equipment are recorded at cost or at estimated fair value at the date of donation. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The Organization follows the practice of capitalizing all expenditures of property and equipment with an estimated useful life of one year or longer. Depreciation is provided using the straight-line method over the estimated useful lives of the assets from 5 to 39 years.

Grants & Contributions Received

The Organization accounts for grants and contributions as increases in unrestricted, temporarily restricted, or permanently restricted support depending on the existence and / or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Income Tax

The Organization is exempt from Federal income taxes under Internal Revenue Code Section 501(c)(3). Under this Section, program revenues and expenses are not subject to taxation, as such, no provision for income taxes has been provided for the year ended December 31, 2016.

Financial Instruments

The Organization's financial instruments consist of cash & equivalents, receivables, and payables at December 31, 2016 and are carried on the accompanying balance sheet at amounts which approximate their respective fair values.

NOTE 2 – DONATED SERVICES

The Organization receives donated services in connection with the various programs the Organization provides to the community. Donations of materials or services that either create or enhance nonfinancial assets or that require specialized skills that would otherwise need to be purchased are recognized as revenues at their respective fair values. Donated materials and services aggregating \$2,597 were recognized in the accompanying statement of activities for the year ended December 31, 2016.

The Christi Center, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 3 – CREDIT CARD ACCOUNT

The Organization has an unsecured credit card with a \$35,000 credit limit with a financial institution requiring monthly payments of principal and interest, calculated at 15.24% as of December 31, 2016. The credit card account has a balance of \$0 as of December 31, 2016.

NOTE 4 – CONCENTRATIONS

The Organization receives funding from concentrated sources. If the Organization is unable to secure such funding in the future, it could adversely affect the Organization's ability to continue as a going concern.

NOTE 5 – EXPENSES BY FUNCTIONAL CLASSIFICATION

The Organization incurs costs, including wages, salaries and other expenses, which are applicable to various activities. Such joint costs are allocated to the functional expense categories below, based on management's assignment of direct costs and estimates of the organizational resources and overhead attributable to each category:

	<u>Total</u>	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>
Advertising	\$ 5,394	\$ 5,394	\$ -	\$ -
Bad Debt	3,767	3,065	327	375
Bank fees	5,521	4,492	479	550
Contract labor	2,477	2,016	215	247
Depreciation	18,445	15,009	1,599	1,837
Insurance	8,539	6,948	740	850
Janitorial	2,343	1,906	203	233
Office	5,048	4,108	438	503
Postage	3,067	2,496	266	305
Printing	9,568	7,785	830	953
Professional fees	5,750	4,679	499	573
Rent	6,805	5,537	590	678
Repairs & maintenance	2,863	2,330	248	285
Supplies	10,249	8,339	889	1,021
Telecommunications	2,711	2,206	235	270
Travel	4,119	3,352	357	410
Utilities	10,193	8,294	884	1,015
Wages, payroll taxes & benefits	246,004	200,173	21,329	24,502
	<u>\$ 352,863</u>	<u>\$ 288,130</u>	<u>\$ 30,125</u>	<u>\$ 34,608</u>
		81.65%	8.54%	9.81%

The Christi Center, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

NOTE 6 – COMMITMENTS & CONTINGENCIES

Temporarily Restricted Net Assets

The Organization has assets temporarily restricted of \$68,849 as of December 31, 2016, earmarked for the school initiative program.

Operating Leases

The Organization rents office equipment subject to an operating lease requiring minimum non-cancelable rent payments of \$205, per month, terminating on June of 2018. Minimum rent payments due over each of the next five years, are as follows:

2017	\$	2,460
2018		1,435
2019		-
2020		-
2021		-
Thereafter		-
Total	\$	<u>3,895</u>

Gain Contingencies & Other

The Organization is the beneficiary of an endowment fund, owned by the Austin Community Foundation (“ACF”), whereby certain donors have contributed funds to ACF for the benefit of the Organization. These funds are managed by ACF, earnings from such funds are granted to the Organization as they may be realized in the future. Losses can and will be realized on such funds, and future gains may or may not be sufficient to make future grants to the Organization. Allocations from this fund are considered a contingent gain and are therefore not recognized as an asset on these financial statements.

NOTE 7 – SUBSEQUENT EVENTS

The Organization’s subsequent events were evaluated through August 31, 2017, upon which date, the financial statements were available for issuance.