

HOUSTON ACHIEVEMENT PLACE

FINANCIAL STATEMENTS

DECEMBER 31, 2016

**HOUSTON ACHIEVEMENT PLACE
FINANCIAL STATEMENTS
DECEMBER 31, 2016**

| | <u>Page(s)</u> |
|--|----------------|
| FINANCIAL STATEMENTS | |
| Independent auditor's report | 1-2 |
| Statement of financial position | 3 |
| Statement of activities | 4 |
| Statement of functional expenses | 5 |
| Statement of cash flows | 6 |
| Notes to financial statements | 7-11 |
| | |
| SUPPLEMENTAL INFORMATION | |
| Independent auditor's report | 12 |
| Schedule of unrestricted revenues and gains | 13 |
| Schedule of program, management and general expenses | 14 |
| Reconciliation of cash basis to accrual basis statement of financial position | 15 |
| Reconciliation of cash basis to accrual basis statement of activities | 16 |
| Reconciliation of cash basis to accrual basis schedule of program, management and general expenses | 17 |
| Changes to property and equipment and accumulated depreciation | 18 |

German & Cohn, P.C.

Certified Public Accountants

Mark A. German, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Houston Achievement Place

We have audited the accompanying financial statements of Houston Achievement Place (a nonprofit organization) which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to 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 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 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 Houston Achievement Place 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.

German & Cohn, P.C.

Houston, Texas
July 7, 2017

HOUSTON ACHIEVEMENT PLACE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

ASSETS

CURRENT ASSETS

| | |
|---------------------------|---------------|
| Cash and cash equivalents | \$ 325,999 |
| Short-term investments | 2,073,763 |
| Accounts receivable | |
| State and county agencies | 118,371 |
| Others | 133,769 |
| Mortgage note receivable | 19,678 |
| Prepaid expenses | <u>57,658</u> |

TOTAL CURRENT ASSETS 2,729,238

PROPERTY AND EQUIPMENT, NET 780,060

OTHER ASSETS

Mortgage note receivable 263,259

TOTAL ASSETS \$3,772,557

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and
accrued expenses \$ 108,799

TOTAL CURRENT LIABILITIES 108,799

NET ASSETS, Unrestricted 3,663,758

TOTAL LIABILITIES AND
NET ASSETS \$3,772,557

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

**HOUSTON ACHIEVEMENT PLACE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | |
|--|---------------------------|
| UNRESTRICTED REVENUES | |
| GOVERNMENT SOURCES | |
| TDFPS, Harris County | \$1,194,993 |
| TDFPS, other counties | 302,388 |
| TDFPS, adoptions | 53,003 |
| NHIC, Medicaid | <u>76,495</u> |
| | |
| TOTAL GOVERNMENT SOURCES | 1,626,879 |
| | |
| OTHER SOURCES | |
| School program services | 293,359 |
| Contributions | 893,000 |
| Investment return | 96,924 |
| Mortgage interest | 15,536 |
| Gala event | 393,673 |
| Sales to the public | 161,004 |
| Rental and miscellaneous | <u>13,727</u> |
| | |
| TOTAL OTHER SOURCES | <u>1,867,223</u> |
| | |
| TOTAL UNRESTRICTED REVENUES AND GAINS | 3,494,102 |
| | |
| PROGRAM, MANAGEMENT AND GENERAL EXPENSES | <u>3,344,102</u> |
| | |
| INCREASE IN NET ASSETS | 150,000 |
| | |
| NET ASSETS AT BEGINNING OF YEAR, Unrestricted | <u>3,513,758</u> |
| | |
| NET ASSETS AT END OF YEAR, Unrestricted | <u>\$3,663,758</u> |

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

**HOUSTON ACHIEVEMENT PLACE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | <u>FOSTER</u> <u>CARE</u> | <u>PROJECT</u> <u>CLASS</u> | <u>MGMT AND</u> <u>GENERAL</u> | <u>FUND</u> <u>RAISING</u> | <u>TOTAL</u> |
|-----------------------------------|------------------------------|--------------------------------|-----------------------------------|-------------------------------|--------------------|
| Personnel | \$ 589,213 | \$ 819,139 | \$235,578 | \$ 10,120 | \$1,654,050 |
| Fringe benefits and payroll taxes | 94,711 | 131,670 | 37,867 | 1,627 | 265,875 |
| Assistance to clients | 7,650 | 0 | 0 | 0 | 7,650 |
| Equipment | 10,617 | 1,665 | 17,624 | 0 | 29,906 |
| Meetings | 13,342 | 10,303 | 3,022 | 0 | 26,667 |
| Occupancy | 100,561 | 0 | 41,919 | 0 | 142,480 |
| Utilities | 13,442 | 0 | 9,334 | 0 | 22,776 |
| Postage and delivery | 2,622 | 143 | 2,713 | 0 | 5,478 |
| Printing | 0 | 1,221 | 2,614 | 0 | 3,835 |
| Professional fees | 100,082 | 20,420 | 72,146 | 3,250 | 195,898 |
| Foster care payments | 783,323 | 0 | 0 | 0 | 783,323 |
| Supplies | 10,830 | 2,562 | 12,131 | 0 | 25,523 |
| Telephone | 4,221 | 2,413 | 8,953 | 0 | 15,587 |
| Transportation | 11,582 | 23,040 | 839 | 0 | 35,461 |
| Miscellaneous | 2,900 | 3,005 | 6,819 | 0 | 12,724 |
| Gala expenses | 0 | 0 | 0 | 90,324 | 90,324 |
| Depreciation | 26,545 | 0 | 0 | 0 | 26,545 |
| TOTAL | <u>\$1,771,641</u> | <u>\$1,015,581</u> | <u>\$451,559</u> | <u>\$105,321</u> | <u>\$3,344,102</u> |
| PERCENTAGE | <u>52.98%</u> | <u>30.37%</u> | <u>13.50%</u> | <u>3.15%</u> | <u>100.00%</u> |
| | <u>83.35%</u> | | | | |

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

**HOUSTON ACHIEVEMENT PLACE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | |
|--|---------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Increase in net assets | \$ 150,000 |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities | |
| Depreciation | 26,545 |
| Unrealized gains from investments | (67,841) |
| Realized losses from investments | 40,876 |
| (Increase) decrease in operating assets | |
| Accounts receivable | 80,189 |
| Prepaid expenses | (209) |
| Increase (decrease) in operating liabilities | |
| Accounts payable and accrued expenses | <u>(12,237)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 217,323 |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from sale of short-term investments | 1,356,845 |
| Notes receivable payments | 18,664 |
| Purchases of property and equipment | (13,130) |
| Purchase of short-term investments | <u>(2,749,156)</u> |
| NET CASH USED BY INVESTING ACTIVITIES | (1,386,777) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (1,169,454) |
| BEGINNING CASH AND CASH EQUIVALENTS | <u>1,495,453</u> |
| ENDING CASH AND CASH EQUIVALENTS | \$ <u><u>325,999</u></u> |

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

HOUSTON ACHIEVEMENT PLACE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - NATURE OF ACTIVITIES

Houston Achievement Place operates as a nonprofit, social service organization, organized and incorporated under the laws of the State of Texas. The Organization is licensed to carry on its foster care and adoption services by the Texas Department of Family and Protective Services and operates training and other service programs for children, adolescents, families and schools primarily in the Greater Houston, Texas metropolitan area.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements of the Organization have been prepared utilizing the accrual basis of accounting under which revenues are recorded when earned and expenses are recognized when incurred. Contributions of donated services are not reflected because it is not deemed practical to measure and document the value of such services.

To ensure observance of limitations and certain restrictions placed on the use of resources available to the Organization and to provide sufficient net assets for future operations, the financial statements are reported according to classes of net assets; unrestricted, temporarily restricted and permanently restricted.

Unrestricted net assets include funds that are available for support and general operations of the Organization and have no donor restrictions. Restricted support has been treated as unrestricted as all restrictions from donors have been met during the reporting period.

Temporarily restricted net assets include resources which have either donor restrictions or have been designated by the Organization's Board of Directors and are not currently available for general operations.

Permanently restricted net assets include resources received which have been designated for specific purposes only and must be maintained permanently.

At the balance sheet date there were no temporarily or permanently restricted net assets.

Property and Equipment

The Organization capitalizes property and equipment over \$5,000. Property and equipment are stated at cost. Depreciation is computed using the straight-line method over estimated useful lives of from three to thirty years. Expenditures for major renewals and betterments which extend the useful lives of property and equipment are capitalized; expenditures for maintenance and repairs are charged to expense as incurred.

HOUSTON ACHIEVEMENT PLACE
NOTES TO FINANCIAL STATEMENTS, Continued
DECEMBER 31, 2016

Accounts Receivable

Accounts receivable are uncollateralized. Management continually evaluates collectibility based on historical experience and has determined that no allowance for doubtful accounts is necessary at year end.

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 and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers cash in banks, brokerage firms, money market funds and certificates of deposit with a maturity of less than three months to be cash equivalents.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Code as other than a private foundation.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2013, 2014, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

NOTE 3 - INVESTMENTS

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. At December 31, 2016, the Organization had invested in various publicly-traded mutual funds which are summarized as follows:

| | |
|------------------------------------|---------------------|
| Total market value of mutual funds | \$ 2,073,763 |
| Total cost of mutual funds | <u>(2,081,929)</u> |
| Unrealized losses | <u>\$ (8,166)</u> |

Investment return includes interest and dividends of \$69,958, realized losses of \$40,876 and change in unrealized gains of \$67,841.

NOTE 4 - CONCENTRATION OF CREDIT RISK AND ACCOUNTS RECEIVABLE

Houston Achievement Place maintains several bank accounts at institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 and by private insurance. During the year, the balances in these accounts have exceeded insurance limits.

Accounts receivable are primarily from state and local entities.

HOUSTON ACHIEVEMENT PLACE
NOTES TO FINANCIAL STATEMENTS, Continued
DECEMBER 31, 2016

NOTE 5 - PROMISES TO GIVE

At December 31, 2016, the Organization has determined there were no unconditional promises to give. Unconditional promises to give reflect commitments by donors before the balance sheet date which will be received in a future period.

NOTE 6 - TRADEMARK

The Organization is the owner of a trademark for a program called "Project CLASS". Project CLASS teaches educators and care-providers to teach core social skills to children primarily 3-12 years old for school and life success.

NOTE 7 - AFFILIATED ORGANIZATION

Houston Achievement Place is the beneficiary of an affiliated organization named the Foundation for Houston Achievement Place. The Foundation holds certain investments in marketable securities and real estate. There is an operating agreement which allows the Foundation to make contributions annually to Houston Achievement Place based on the average market value of investments each June 30. Contributions of \$350,000 were made in 2016. The Foundation's financial statements are not included in the accompanying financial statements. The Foundation's board of directors is independent from the board of Houston Achievement Place.

NOTE 8 - RETIREMENT PLAN

The Organization has established a 403(b) retirement plan for its employees. During 2016 there were no employer contributions to the plan.

NOTE 9 - MORTGAGE NOTE RECEIVABLE

On December 31, 2016 the Organization was carrying one mortgage note on real estate previously sold in the amount of \$325,000. At December 31, 2016, the note had an outstanding balance of \$282,937. The note was paid off in-full in February 2017. The note was secured by a vendors lien on the related real estate. Monthly note payments amounted to \$2,850 at 5.30% with a final payment due in November 2027. The Organization believes the fair value of this instrument at the balance sheet date to be equal to the carrying value because of non marketability of the instrument. In addition the note called for a 2% late charge for payments made after 10 days after the due date.

HOUSTON ACHIEVEMENT PLACE
 NOTES TO FINANCIAL STATEMENTS, Continued
DECEMBER 31, 2016

NOTE 10 - FAIR VALUE MEASUREMENTS

The Organization follows FASB ASC 820-10 which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than the quoted prices included in Level 1.
- Level 3 - Unobservable inputs.

The hierarchy only prioritizes the inputs, not the valuation techniques that are used. The inputs used in a given valuation may fall in different levels of the hierarchy. The level in the hierarchy in which the resulting fair value measurement falls is based on the lowest level input that is significant to the overall valuation, regardless of the valuation technique(s) used. Determining whether an input is significant is a judgmental matter requiring consideration of factors specific to the asset or liability.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at December 31, 2016 are as follows:

| | <u>Fair Value</u> | Quoted Prices In Active Markets for Identical Assets (Level 1) |
|------------------------|--------------------|---|
| Short-term investments | | |
| Mutual Funds | <u>\$2,073,763</u> | <u>\$2,073,763</u> |

Short-term investments are reported at fair value on a recurring basis determined by reference to quoted market prices and other relevant information generated by market transactions.

NOTE 11 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

| | |
|--------------------------|-------------------|
| Buildings | \$1,264,760 |
| Building improvements | 257,195 |
| Equipment | 179,274 |
| Furniture and fixtures | <u>52,174</u> |
| | 1,753,403 |
| Accumulated depreciation | <u>973,343</u> |
| | <u>\$ 780,060</u> |

HOUSTON ACHIEVEMENT PLACE
NOTES TO FINANCIAL STATEMENTS, Continued
DECEMBER 31, 2016

NOTE 12 - RECENT ACCOUNTING PRONOUNCEMENTS

The Organization does not believe recent accounting pronouncements that are not yet effective will have a material effect on its financial statements.

In 2016 the FASB issued ASU 2016-14, Presentation of Financial Statements for Not-For-Profit Entities. The standard which is intended to improve how a not-for-profit classifies its net assets, as well as the information it presents in its financial statements about liquidity and availability of resources, expenses and investments and cash flows will become effective for fiscal years beginning after December 15, 2017. The Organization does not anticipate this standard having a material effect on its financial statements because it does not have restricted assets or revenues.

NOTE 13 - EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through the date of the auditor's report, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

German & Cohn, P.C.

Certified Public Accountants

Mark A. German, CPA

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
Houston Achievement Place

We have audited the financial statements of Houston Achievement Place as of and for the year ended December 31, 2016 and have issued our report thereon dated July 7, 2017, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplemental information contained on pages 13 through 18 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

German & Cohn, P.C.

Houston, Texas
July 7, 2017

HOUSTON ACHIEVEMENT PLACE
SCHEDULE OF UNRESTRICTED REVENUES AND GAINS
FOR THE YEAR ENDED DECEMBER 31, 2016

| | |
|--------------------------|------------------------|
| Government sources | \$1,626,879 |
| School program services | 293,359 |
| Contributions | 893,000 |
| Investment return | 96,924 |
| Mortgage interest | 15,536 |
| Gala event | 393,673 |
| Sales to the public | 161,004 |
| Rental and miscellaneous | <u>13,727</u> |
| TOTAL | <u>\$3,494,102</u> |

**HOUSTON ACHIEVEMENT PLACE
SCHEDULE OF PROGRAM, MANAGEMENT
AND GENERAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | |
|-----------------------------------|------------------------|
| Personnel | \$1,654,050 |
| Fringe benefits and payroll taxes | 265,875 |
| Assistance to clients | 7,650 |
| Equipment | 29,906 |
| Meetings | 26,667 |
| Occupancy | 142,480 |
| Utilities | 22,776 |
| Postage and delivery | 5,478 |
| Printing | 3,835 |
| Professional fees | 195,898 |
| Foster care payments | 783,323 |
| Supplies | 25,523 |
| Telephone | 15,587 |
| Transportation | 35,461 |
| Miscellaneous | 12,724 |
| Gala expenses | 90,324 |
| Depreciation | <u>26,545</u> |
| TOTAL | <u>\$3,344,102</u> |

**HOUSTON ACHIEVEMENT PLACE
RECONCILIATION OF CASH BASIS TO ACCRUAL BASIS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016**

| | <u>CASH</u> <u>BASIS</u> | <u>NET</u> <u>ACCRUAL</u> <u>ADJUSTMENTS</u> | <u>ACCRUAL</u> <u>BASIS</u> |
|---|-----------------------------|--|--------------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | \$ 325,999 | \$ | \$ 325,999 |
| Short-term investments | 2,081,929 | (8,166) | 2,073,763 |
| Accounts receivable | | | |
| State and county agencies | | 118,371 | 118,371 |
| Others | | 133,769 | 133,769 |
| Mortgage note receivable | 19,678 | | 19,678 |
| Prepaid expenses | <u>57,658</u> | | <u>57,658</u> |
| TOTAL CURRENT ASSETS | 2,485,264 | 243,974 | 2,729,238 |
| PROPERTY AND EQUIPMENT, NET | 780,060 | | 780,060 |
| OTHER ASSETS | | | |
| Mortgage note receivable | <u>263,259</u> | | <u>263,259</u> |
| TOTAL ASSETS | <u>\$3,528,583</u> | <u>\$ 243,974</u> | <u>\$3,772,557</u> |
| LIABILITIES AND NET ASSETS | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ _____ | \$ 108,799 | \$ 108,799 |
| TOTAL CURRENT LIABILITIES | 0 | 108,799 | 108,799 |
| NET ASSETS | <u>3,528,583</u> | <u>135,175</u> | <u>3,663,758</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$3,528,583</u> | <u>\$ 243,974</u> | <u>\$3,772,557</u> |

**HOUSTON ACHIEVEMENT PLACE
RECONCILIATION OF CASH BASIS TO ACCRUAL BASIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | <u>CASH</u> <u>BASIS</u> | NET <u>ACCRUAL</u> <u>ADJUSTMENTS</u> | ACCRUAL <u>BASIS</u> |
|---|-----------------------------|---|--------------------------|
| UNRESTRICTED REVENUES | | | |
| GOVERNMENT SOURCES | | | |
| TDFPS, Harris County | \$1,217,660 | \$(22,667) | \$1,194,993 |
| TDFPS, other counties | 315,233 | (12,845) | 302,388 |
| TDFPS, adoptions | 48,003 | 5,000 | 53,003 |
| NHIC, Medicaid | <u>80,765</u> | <u>(4,270)</u> | <u>76,495</u> |
| TOTAL GOVERNMENT SOURCES | 1,661,661 | (34,782) | 1,626,879 |
| OTHER SOURCES | | | |
| School program services | 339,426 | (46,067) | 293,359 |
| Contributions | 893,000 | | 893,000 |
| Investment return | 29,082 | 67,842 | 96,924 |
| Mortgage interest | 15,536 | | 15,536 |
| Gala event | 393,673 | | 393,673 |
| Sales to the public | 159,260 | 1,744 | 161,004 |
| Rental and miscellaneous | <u>14,812</u> | <u>(1,085)</u> | <u>13,727</u> |
| TOTAL OTHER SOURCES | <u>1,844,789</u> | <u>22,434</u> | <u>1,867,223</u> |
| TOTAL UNRESTRICTED REVENUES AND GAINS | 3,506,450 | (12,348) | 3,494,102 |
| PROGRAM, MANAGEMENT AND GENERAL EXPENSES | <u>3,356,338</u> | <u>(12,236)</u> | <u>3,344,102</u> |
| (DECREASE) IN NET ASSETS | <u>\$ 150,112</u> | <u>\$(112)</u> | <u>\$ 150,000</u> |

**HOUSTON ACHIEVEMENT PLACE
RECONCILIATION OF CASH BASIS TO ACCRUAL BASIS
SCHEDULE OF PROGRAM, MANAGEMENT AND
GENERAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | <u>CASH</u> <u>BASIS</u> | NET <u>ACCRUAL</u> <u>ADJUSTMENTS</u> | <u>ACCRUAL</u> <u>BASIS</u> |
|--------------------------------------|-----------------------------|---|--------------------------------|
| Personnel | \$1,649,432 | \$ 4,618 | \$1,654,050 |
| Fringe benefits and payroll taxes | 265,875 | | 265,875 |
| Assistance to clients | 8,409 | (759) | 7,650 |
| Equipment | 30,596 | (690) | 29,906 |
| Meetings | 25,453 | 1,214 | 26,667 |
| Occupancy | 142,509 | (29) | 142,480 |
| Utilities | 22,794 | (18) | 22,776 |
| Postage and delivery | 5,193 | 285 | 5,478 |
| Printing | 3,857 | (22) | 3,835 |
| Professional fees | 201,457 | (5,559) | 195,898 |
| Foster care payments | 794,767 | (11,444) | 783,323 |
| Supplies | 25,439 | 84 | 25,523 |
| Telephone | 15,650 | (63) | 15,587 |
| Transportation | 36,620 | (1,159) | 35,461 |
| Miscellaneous | 12,296 | 428 | 12,724 |
| Gala expenses | 89,446 | 878 | 90,324 |
| Depreciation | <u>26,545</u> | | <u>26,545</u> |
| TOTAL | <u>\$3,356,338</u> | <u>\$ (12,236)</u> | <u>\$3,344,102</u> |

**HOUSTON ACHIEVEMENT PLACE
CHANGES TO PROPERTY AND EQUIPMENT
AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | BALANCE DECEMBER 31, <u>2015</u> | NET ADDITIONS (RETIREMENTS) | BALANCE DECEMBER 31, <u>2016</u> |
|------------------------------------|--|-----------------------------------|--|
| PROPERTY AND EQUIPMENT | | | |
| Buildings | \$1,264,760 | \$ | \$1,264,760 |
| Building improvements | 244,065 | 13,130 | 257,195 |
| Equipment | 179,274 | | 179,274 |
| Furniture and fixtures | <u>52,174</u> | | <u>52,174</u> |
| | <u>1,740,273</u> | <u>13,130</u> | <u>1,753,403</u> |
| ACCUMULATED DEPRECIATION | | | |
| Buildings | 520,497 | 21,406 | 541,903 |
| Building improvements | 219,255 | 2,551 | 221,806 |
| Equipment | 154,872 | 2,588 | 157,460 |
| Furniture and fixtures | <u>52,174</u> | | <u>52,174</u> |
| | <u>946,798</u> | <u>26,545</u> | <u>973,343</u> |
| PROPERTY AND EQUIPMENT, NET | <u>\$ 793,475</u> | <u>\$ (13,415)</u> | <u>\$ 780,060</u> |