

**CHILDREN'S CENTER FOR SELF-ESTEEM, INC.**

**REPORT OF EXAMINATION**

**YEARS ENDED DECEMBER 31, 2015 AND 2014**

**Hajovsky, Jones & Co., P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
Houston, Texas

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MEMBERS  
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February 26, 2016

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Children's Center for Self-Esteem, Inc.  
Houston, Texas

We have audited the accompanying financial statements of Children's Center for Self-Esteem, Inc. (A Non-Profit Corporation) which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activity, cash flows and functional expenses 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. Management is also responsible for the design, implementation, and maintenance of internal controls 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

**Auditor's Responsibility (continued)**

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 risk 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 Children's Center for Self-Esteem, Inc. (A Non-Profit Corporation) as of December 31, 2015 and 2014, 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.

*Hajovsky, Jones & Co. P.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

**CHILDREN'S CENTER FOR SELF-ESTEEM, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

ASSETS

	December 31,	
	2015	2014
Current assets:		
Cash and cash equivalents	\$95,480	\$5,393
Accounts receivable	55	22,500
Total current assets	95,535	27,893
Property and equipment:		
Computer and software	12,730	12,730
Office equipment	5,006	5,006
Furniture & fixtures	1,435	1,435
	19,171	19,171
Less accumulated depreciation	18,121	18,121
	1,050	1,050
Total assets	\$96,585	\$28,943

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$24	\$9
Total current liabilities	24	9
Net assets:		
Unrestricted	(4,939)	(52,816)
Temporarily restricted	101,500	81,750
Total net assets	96,561	28,934
Total liabilities and net assets	\$96,585	\$28,943

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

**CHILDREN'S CENTER FOR SELF-ESTEEM, INC.**  
**STATEMENTS OF ACTIVITIES**

	For the Year Ended December 31, 2015		
	Unrestricted	Temporarily Restricted	Total
Revenues and support:			
Grants and contributions	\$191,967	\$217,250	\$409,217
Education, training and publications	20,068		20,068
Fundraising and other	22,427		22,427
Reclassification of temporarily restricted net assets satisfied by payments	197,500	(197,500)	0
Total revenues and support	431,962	19,750	451,712
Expenses:			
Program services			
Education and training	272,094		272,094
Education publications and videos	27,788		27,788
Education promotion activities	1,491		1,491
	301,373	0	301,373
Supporting services			
Administration	77,230		77,230
Fundraising	5,482		5,482
	82,712	0	82,712
Total expenses	384,085	0	384,085
Increase in net assets	47,877	19,750	67,627
Net assets at beginning of year	(52,816)	81,750	28,934
Net assets at end of year	(\$4,939)	\$101,500	\$96,561

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

**CHILDREN'S CENTER FOR SELF-ESTEEM, INC.**  
**STATEMENTS OF ACTIVITIES**

	For the Year Ended December 31, 2014		
	Unrestricted	Temporarily Restricted	Total
Revenues and support:			
Grants and contributions	\$142,115	\$218,500	\$360,615
Education, training and publications	4,530		4,530
Fundraising and other	37,721		37,721
Reclassification of temporarily restricted net assets satisfied by payments	253,250	(253,250)	0
Total revenues and support	437,616	(34,750)	402,866
Expenses:			
Program services			
Education and training	326,259		326,259
Education publications and videos	26,828		26,828
Education promotion activities	64,590		64,590
	417,677	0	417,677
Supporting services			
Administration	68,638	0	68,638
Fundraising	4,748	0	4,748
	73,386	0	73,386
Total expenses	491,063	0	491,063
Increase in net assets	(53,447)	(34,750)	(88,197)
Net assets at beginning of year	631	116,500	117,131
Net assets at end of year	(\$52,816)	\$81,750	\$28,934

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

**CHILDREN'S CENTER FOR SELF-ESTEEM, INC.**  
**STATEMENTS OF CASH FLOWS**

	Years Ended December 31,	
	2015	2014
Cash flows from operating activities:		
Increase (decrease) in net assets	\$67,627	(\$88,197)
Adjustment to reconcile increase (decrease) in net assets to net cash provided by operations:		
(Increase) decrease in receivables	22,445	(21,908)
Increase (decrease) in accounts payable	15	(12)
Net cash provided by (used for) operating activities	90,087	(110,117)
Cash flows from investing activities:		
Net cash provided by (used for) investing activities	0	0
Cash flows from financing activities:		
Net cash provided by (used for) financing activities	0	0
Net increase (decrease) in cash	90,087	(110,117)
Cash and cash equivalents at beginning of year	5,393	115,510
Cash and cash equivalents at end of year	\$95,480	\$5,393

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

**CHILDREN'S CENTER FOR SELF-ESTEEM, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2015

	<u>Total</u> <u>Expenses</u>	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>
Salaries and wages and related taxes	\$259,700	\$229,612	\$27,079	\$3,009
Payroll service fees	1,955	1,751	204	
Dues and subscriptions	1,465		1,465	
Insurance	4,417		4,417	
Office and miscellaneous	19,973		18,774	1,199
Professional and facilitators' fees	11,752	8,912	2,840	
Program expenses	44,292	26,938	17,354	
Reproduction and printing	15,753	10,929	3,860	965
Telephone and utilities	3,094	1,547	1,238	309
Video production	21,684	21,684		
	<u>\$384,085</u>	<u>\$301,373</u>	<u>\$77,230</u>	<u>\$5,482</u>

Year Ended December 31, 2014

	<u>Total</u> <u>Expenses</u>	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>
Salaries and wages and related taxes	\$312,020	\$284,483	\$24,783	\$2,754
Payroll service fees	2,044	1,882	162	
Dues and subscriptions	2,618		2,618	
Insurance	6,150		6,150	
Office and miscellaneous	5,306		4,656	650
Professional and facilitators' fees	10,511	7,465	3,046	
Program expenses	113,501	91,655	21,846	
Reproduction and printing	10,728	5,364	4,291	1,073
Telephone and utilities	1,357		1,086	271
Video production	26,828	26,828		
	<u>\$491,063</u>	<u>\$417,677</u>	<u>\$68,638</u>	<u>\$4,748</u>

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