

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
AND CDC FOUNDATION**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED AUGUST 31, 2016

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
AND CDC FOUNDATION
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Citizens Development Center, (dba Achieve)
and CDC Foundation
Dallas, Texas

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Citizens Development Center, (dba Achieve) and CDC Foundation ("CDC"), which comprise the consolidated statement of financial position as of August 31, 2016, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Citizens Development Center, dba Achieve
and CDC Foundation

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of CDC as of August 31, 2016, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter – Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The information beginning on page 17 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements.

The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole



CliftonLarsonAllen LLP

Fort Worth, Texas
March 22, 2017

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
AND CDC FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2016**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 238,604
Accounts Receivable, Net of Allowance of \$5,796	213,307
Promises to Give	500
Mineral Royalties Receivable	5,858
Prepaid Expenses	24,526
Total Current Assets	<u>482,795</u>

LAND, PROPERTY, AND EQUIPMENT

Land, Property, and Equipment - Net of Accumulated Depreciation	841,804
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NONCURRENT ASSETS

Investments - Marketable Securities	<u>397,223</u>
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Total Assets	<u><u>\$ 1,721,822</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 7,561
Accrued Expenses	43,779
Deferred Revenue	53,421
Total Current Liabilities	<u>104,761</u>

NONCURRENT LIABILITIES

Deferred Revenue	<u>15,738</u>
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Total Liabilities	120,499
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NET ASSETS

Unrestricted	1,570,971
Temporarily Restricted	30,352
Total Net Assets	<u>1,601,323</u>

Total Liabilities and Net Assets	<u><u>\$ 1,721,822</u></u>
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See accompanying Notes to Consolidated Financial Statements.

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
AND CDC FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2016**

	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT			
Grants and Contracts	\$ 1,145,854	\$ -	\$ 1,145,854
United Way	114,580	-	114,580
Sales to Public	339,581	-	339,581
Contributions and Foundation Grants	207,235	16,094	223,329
Fundraising and Special Events, Net of Related Expenses	70,085	-	70,085
Miscellaneous	2,662	-	2,662
Interest and Dividends, Net of Advisory Fees and Bond Premiums	6,740	5	6,745
Royalties on Oil and Gas, Net of Direct Expenses of \$1,525	21,736	-	21,736
Capital Gain Income on Investments	15,846	-	15,846
Realized and Unrealized Gain on Investments, net of Amortization and Accretion	1,816	-	1,816
Net Assets Released From Restrictions	40,433	(40,433)	-
Total Revenues and Other Support	1,966,568	(24,334)	1,942,234
EXPENSES			
Program Services			
Work Center	1,436,622	-	1,436,622
Employment	321,693	-	321,693
Total Program Services	1,758,315	-	1,758,315
Supporting Services			
Development	88,159	-	88,159
Management and General	202,784	-	202,784
Total Supporting Services	290,943	-	290,943
Total Expenses	2,049,258	-	2,049,258
CHANGE IN NET ASSETS	(82,690)	(24,334)	(107,024)
Net Assets - Beginning of Year	1,653,661	54,686	1,708,347
NET ASSETS - END OF YEAR	\$ 1,570,971	\$ 30,352	\$ 1,601,323

See accompanying Notes to Consolidated Financial Statements.

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
AND CDC FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2016**

	Program Services			Supporting Services			Total
	Work Center	Employment	Program Total	Development	Management and General	Supporting Total	
Contract Labor	\$ 5,316	\$ -	\$ 5,316	\$ -	\$ 737	737	\$ 6,053
Fringe Benefits	129,460	22,265	151,725	3,184	18,181	21,365	173,090
Payroll Taxes	71,507	16,853	88,360	4,728	16,183	20,911	109,271
Staff Salaries	762,209	226,636	988,845	61,994	124,734	186,728	1,175,573
Wages Consumers	174,752	-	174,752	-	-	-	174,752
Total Compensation	1,143,244	265,754	1,408,998	69,906	159,835	229,741	1,638,739
Atrium Plant Maintenance	326	-	326	-	-	-	326
Bank and Merchant Fees	-	-	-	-	3,059	3,059	3,059
Depreciation	49,685	2,302	51,987	534	2,970	3,504	55,491
Direct Materials	26,770	-	26,770	-	-	-	26,770
Employee Appreciation/Goodwill	2,378	428	2,806	138	470	608	3,414
Employee Recruiting and Screenings	941	1,720	2,661	527	-	527	3,188
Equipment Lease	7,655	607	8,262	152	759	911	9,173
Insurance - Commercial	30,266	579	30,845	573	1,297	1,870	32,715
Interest	-	-	-	-	48	48	48
Legal and Professional Fees	180	-	180	-	12,950	12,950	13,130
Marketing and Public Relations	4,738	5,234	9,972	5,470	4,727	10,197	20,169
Membership Dues and Fees	1,569	16	1,585	1,098	2,515	3,613	5,198
Office Supplies	10,431	2,781	13,212	1,659	2,876	4,535	17,747
Payroll Processing Fees	14,327	388	14,715	65	434	499	15,214
Postage and Shipping	2,157	352	2,509	1,264	440	1,704	4,213
Printing	-	28	28	1,146	-	1,146	1,174
Property Taxes	-	-	-	-	114	114	114
Repair and Maintenance - Equipment	1,171	48	1,219	159	60	219	1,438
Repair and Maintenance - Facility	56,460	640	57,100	348	903	1,251	58,351
Repair and Maintenance - Vehicles	6,098	-	6,098	-	-	-	6,098
Technology Supplies and Expenses	9,763	1,469	11,232	4,055	3,215	7,270	18,502
Telephone and Internet	7,641	2,781	10,422	756	2,145	2,901	13,323
Training	2,514	3,622	6,136	-	1,879	1,879	8,015
Transportation	26,105	32,333	58,438	27	1,225	1,252	59,690
Utilities	32,203	611	32,814	282	863	1,145	33,959
Total Expenses	\$ 1,436,622	\$ 321,693	\$ 1,758,315	\$ 88,159	\$ 202,784	\$ 290,943	\$ 2,049,258

See accompanying Notes to Consolidated Financial Statements.

**CITIZENS DEVELOPMENT CENTER, DBA ACHIEVE
AND CDC FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (107,024)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Depreciation	55,491
Donated Property and Equipment	(51,082)
Amortization and Accretion of Bonds, Net	1,503
Investment Income and Dividends Reinvested	(17,604)
Realized and Unrealized Gain on Investments	(3,319)
(Increase) Decrease In Operating Assets:	
Accounts Receivable	(22,168)
Promises to Give	9,500
Mineral Royalties Receivable	4,328
Prepaid Expenses	(575)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	(28,948)
Accrued Expenses	5,680
Deferred Revenue	2,843
Net Cash Used by Operating Activities	(151,375)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Property and Equipment	(37,697)
Proceeds from Sales of Investments	131,163
Net Cash Provided by Investing Activities	93,466

NET DECREASE IN CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents - Beginning of Year	296,513
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CASH AND CASH EQUIVALENTS - END OF YEAR

	\$ 238,604
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NONCASH INVESTING AND FINANCING ACTIVITIES

Interest Paid	\$ 48
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**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
AND CDC FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2016**

NOTE 1 ORGANIZATION AND OPERATIONS

Citizens Development Center, (dba Achieve) (the Center) and CDC Foundation (the Foundation) are both nonprofit corporations and are located in Dallas, Texas (collectively referred to as the Organization). The Center was founded in 1951 as a school for children with physical and mental disabilities. In the 1960's employment services were developed from the work-activity programs that had been developed for adolescents. The Foundation was formed and incorporated on June 25, 1970, to receive and maintain funds for the sole benefit of or to aid in the performance of the function of the Center. During the year ended August 31, 2016, the Organization filed to change their name to Achieve, though this name was not in use until subsequent to year end. The Organization's mission is to empower men and women with disabilities to achieve their highest level of employability and ultimately their highest level of independence. Programs include vocational training and employment services to adults with mental or physical challenges. The Organization is primarily supported by donations of properties, investments, other assets, and industrial sales. The Center receives funding from several state administered programs on a fee for service basis, of which some have federal funding.

The Organization's main programs and services include the following:

Work Center – Provides intensive vocational support and structure to adults with severe disabilities who have been unable to secure or maintain employment or who choose to work in a protected environment. Individuals in the Work Center program come to work daily and participate in a supervised group setting where they perform packaging and assembly jobs for local businesses. This work serves as a teaching tool and is coupled with behavior management techniques and activities to improve the individuals' self-esteem and social skills. Clients achieve their highest level of independence in a protected environment where they are accepted, respected and free from the discrimination they may face in a corporate work environment.

Employment – Provides intensive, hands-on intervention to help individuals with disabilities secure and maintain community employment and reach lifelong employability – the capacity to hold rewarding employment over one's lifetime. The program teaches clients job seeking skills, teaches and assists with resume development and job application completion, and instructs and guides individuals how to answer interview questions. The Center utilizes a hands-on approach to secure job leads, negotiate with potential employers and advocate for clients. Once the client has been placed in a job, the organization's staff coaches the client in their new job tasks, literally working side-by-side with the individual. The Organization provides support for the lifetime of the job.

Development – Dedicated to building relationships with partners and friends of the Center to promote the work center and employment programs. Development has two events: the "Dash for Dignity", which is held in the fall of each year and "Top Golf" held in May of each year.

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
AND CDC FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2016**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's consolidated financial statements. The consolidated financial statements and notes are representations of the Organization's management who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the consolidated financial statements.

Principles of Consolidation

The consolidated financial statements include the Center and the Foundation. The Foundation is a separate legal entity with its own accounting records and its financial position and net assets have been included in the accompanying consolidated financial statements due to the Center having an economic interest in and sharing certain common Board Members with the Foundation. All significant intercompany transactions have been eliminated in the consolidated financial statements.

Financial Statement Presentation

The consolidated financial statements of the Organization have been prepared in accordance with U.S. GAAP. The Organization is required by U.S. GAAP to report information regarding its consolidated financial position and activities according 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. The Organization prepares its financial statements on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when obligations are incurred.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Federal Income Tax

The Center and the Foundation are nonprofit organizations that are exempt from federal income taxes under Internal Revenue Code Section 501(c)(3); therefore, no provision for federal income taxes has been included in the consolidated financial statements. Taxes are paid on net income earned from sources unrelated to the exempt purposes. There was no net income from unrelated business for the year ended August 31, 2016. Each entity files as a tax-exempt organization. The Organization's tax returns are subject to review and examination by federal and state authorities.

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
AND CDC FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2016**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization places its cash with high-credit quality financial institutions and periodically maintains deposits in amounts that exceed FDIC insurance coverage. Management believes the risk of incurring material losses related to this credit risk is remote.

Accounts Receivable

The Organization's receivables consist principally of amounts due from customers utilizing the work center, contracts with local organizations for employment services, day habilitation services and mineral royalties receivable. The Organization utilizes the allowance method for recognition of bad debts. Based on management's assessment of the collectability of these amounts, allowance for doubtful accounts was \$5,796 as of August 31, 2016.

Promises To Give

The Organization's promises to give consist of contributions for the Dash for Dignity fundraising event. The Organization utilizes the allowance method for recognition of bad debts. Based on management's assessment of the collectability of these amounts, no allowance for doubtful accounts was deemed necessary as of August 31, 2016.

Investments

Investments at August 31, 2016 consist of municipal bonds, corporate bonds, open-end stock mutual funds and an exchange traded fund. They are recorded on the consolidated financial statements at their fair value. The fair value of a financial instrument is the amount that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Property and Equipment

Expenditures for property and equipment in excess of \$1,000 which have a useful life of one year or more are capitalized and recorded on the Organization's books at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Expenditures for repairs and maintenance are charged to operating expenses as incurred. Depreciation using the straight-line method is provided over the following estimated useful lives:

Building and Improvements	5 - 30 years
Furniture, Fixtures, and Equipment	3 - 10 years
Communications and Technology	3 - 10 years
Transportation Equipment	5 years

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
AND CDC FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2016**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Organization periodically reviews the carrying value of its long-lived assets, including property and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. To the extent fair value of long-lived assets is less than the carrying amount an impairment loss is recognized. The fair value of a long-lived asset is determined based upon the estimated future cash flows attributable to the asset.

Mineral Interests

The Organization is the beneficiary of certain mineral interests. These mineral interests are carried at the lower of cost or market. Cost was reflected at zero as of August 31, 2016.

Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or an absence of donor-imposed restrictions. Accordingly, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The fund groups are reported in the three classes of net assets as follows:

Unrestricted Net Assets – These funds have no external restrictions and can be used for any purpose designated by the Board.

Temporarily Restricted Net Assets – These funds generally represent funds for which the donor has limited the use of the funds by stipulating how or when the funds are to be used. The restrictions are satisfied either by passage of time or by actions of the Organization. As of August 31, 2016, the Organization had \$30,352 of temporarily restricted net assets.

Permanently Restricted Net Assets – These are funds that have been restricted by the donor and cannot be satisfied by the passage of time or by actions of the Organization. As of August 31, 2016, the Organization had no permanently restricted net assets.

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
AND CDC FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2016**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions and grant revenue are recognized when received and are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the contribution is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Revenue for sales to the public and sponsorships/registrations to the Dash for Dignity event are recognized when earned, which is generally when shipped to the customer or after the event takes place.

Donated Materials and Services

Donated materials and equipment are reflected as contributions in the accompanying consolidated financial statements at their estimated values at the date of receipt. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets, or (b) require specialized skills, and are performed by people with those skills, and would otherwise be purchased by the Organization. Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific program functions, fundraising solicitations, and various other activities that are not recognized as contributions in the consolidated financial statements, because of the recognition criteria under U.S. GAAP were not met.

Functional Allocation of Expenses

Program activities include items which are directly related to the Organization or are essential support elements of those programs. The cost of providing the program services and other activities has been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among program and supporting services as shown in the Consolidated Statement of Functional Expenses.

Advertising and Public Relations

Advertising and public relations costs are expensed as incurred in their entirety on the date at which the advertising commences, except for direct response advertising, which can be written-off over the period during which the benefits are expected. Total advertising and public relations costs for the year ended August 31, 2016 were \$20,169.

Recently Issued Accounting Pronouncements

The Organization has determined that there have been no recently issued or adopted accounting standards that will have or have had a material impact on its consolidated financial statements.

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
AND CDC FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2016**

NOTE 3 FAIR VALUE MEASUREMENT

FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, (“ASC 820”) provides the framework for measuring and reporting fair value. The fair value framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As required by U.S. GAAP, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Organization’s assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement with the fair value hierarchy levels.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation models are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments consist of the following at August 31:

	2016			Total
	Level 1	Level 2	Level 3	
Investments:				
Exchange Traded U.S. Stock Fund	\$ 49,827	\$ -	\$ -	\$ 49,827
International Stock Open-End Mutual Fund	38,581	-	-	38,581
U.S. Stock Open-End Mutual Funds	174,201	-	-	174,201
Corporate Bonds	-	39,028	-	39,028
Municipal Bonds	-	95,586	-	95,586
Total Investments	<u>\$ 262,609</u>	<u>\$ 134,614</u>	<u>\$ -</u>	<u>\$ 397,223</u>

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
AND CDC FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2016**

NOTE 3 FAIR VALUE MEASUREMENT (CONTINUED)

Net investment gain consists of the following for the year ended August 31, 2016:

Unrealized Gain on Investments	\$ 1,816
Capital Gain Income on Investments	15,846
Interest and Dividends, Net of Amortization	9,080
Investment Expenses	<u>(2,335)</u>
Net Investment Gain	<u><u>\$ 24,407</u></u>

NOTE 4 LAND, PROPERTY, AND EQUIPMENT

Property and equipment as of August 31, 2016 consisted of the following:

Land	\$ 346,320
Building and Improvements	2,023,158
Furniture, Fixtures, and Equipment	695,376
Communications and Technology	25,862
Transportation Equipment	<u>165,868</u>
Total Property and Equipment	3,256,584
Less: Accumulated Depreciation	<u>(2,414,780)</u>
Net Property and Equipment	<u><u>\$ 841,804</u></u>

The Organization's depreciation expense for the year ended August 31, 2016 was \$55,491.

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are subject to restrictions imposed by the Organization or donor that may or will be met by actions of the Board and/or passage of time. When the restriction expires (i.e., when a stipulated time restriction ends or the Board fulfills the purpose for which the net assets were restricted), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. In August of 1983, the CDC Foundation established the Kinney Dumas Memorial Fund. Contributions given in memory of Kinney Dumas will be used to provide flowers, plants, and maintenance of the garden and for the atrium of the Organization's corporate office. The monies are held in a bank account with a financial institution and have been recorded by the Organization as cash and cash equivalents. Funds restricted in the Center consist of \$16,094 restricted for the Development Director's salary as of August 31, 2016. Temporarily restricted net assets in the Kinney Dumas Memorial Fund as of August 31, 2016 were \$14,258.

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
AND CDC FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2016**

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor Restricted Endowments in Which Principal May be Distributed for Specified Purposes	\$ -	\$ 14,258	\$ -	\$ 14,258
Total	<u>\$ -</u>	<u>\$ 14,258</u>	<u>\$ -</u>	<u>\$ 14,258</u>

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets - August 31, 2015	\$ -	\$ 14,579	\$ -	\$ 14,579
Investment Income (Loss)	-	5	-	5
Total	<u>-</u>	<u>14,584</u>	<u>-</u>	<u>14,584</u>
Appropriation of Endowment Assets for Expenditure	-	(326)	-	(326)
Endowment Net Assets - August 31, 2016	<u>\$ -</u>	<u>\$ 14,258</u>	<u>\$ -</u>	<u>\$ 14,258</u>

NOTE 6 RETIREMENT PLAN

The Organization has a 403(b) retirement plan administered by a third party which has been in place for several years. All full-time employees who have completed at least one year of service are eligible to participate in the plan. Employees may contribute the maximum amount allowed by law. As of August 1, 2012, the plan was amended to allow eligible employees to receive a match of 100% of the employees' contribution up to 2% of compensation. Contributions to the plan by the Organization were \$7,992 for the year ended August 31, 2016.

NOTE 7 DEFERRED REVENUE

Deferred revenue of \$45,209 relates to the annual Dash for Dignity and will be recognized during the year ending August 31, 2017.

During the year ended August 31, 2014, the Organization received a Community Development Block Grant from the City of Dallas. This grant is structured as a secured, forgivable, no-interest loan to the Organization. Upon the Organization's successful completion of the project funded by the grant, the City will cancel the note. The outstanding balance of this note at August 31, 2016 is \$23,950. Revenue will be recognized over the period the City has recourse, which is 5 years or 60 months rather than over the life of the assets because from an economic viewpoint, the majority of the benefit will be received in the first 5 years.

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
AND CDC FOUNDATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2016**

NOTE 7 DEFERRED REVENUE (CONTINUED)

Amounts will be recognized for the years ending August 31 as follows:

Year Ending August 31,	Amount
2017	\$ 8,211
2018	8,211
2019	7,528
Total	\$ 23,950

NOTE 8 DONATED PROPERTY AND GOODS

A number of local individuals and businesses have donated goods to the Organization as production items for one of its annual fundraising events, “Dash for Dignity”. These donations have been recorded at the estimated fair value of the goods. Goods donated for use at special events are recorded as special events revenue with an offset to the special events expense account. For the year ended August 31, 2016, the Organization received \$11,729 in goods donated for Dash, which is shown net with Fundraising and Special Events on the consolidated statement of activities.

During the year ended August 31, 2016, a local organization donated approximately \$70,000 in goods and property to redesign and renovate the garden area. These donations have been recorded at their estimated fair value and are shown with Contributions and Foundation Grants in the consolidated statement of activities. Goods and property valued at approximately \$51,082 were capitalized and are shown with Land, Property and Equipment in the consolidated statement of financial position, and the remaining \$18,918 is recorded as Repairs and Maintenance – Facility in the consolidated statement of functional expenses.

During the year ended August 31, 2015, a local company donated \$18,350 worth of their time and services to design a new logo for the Organization’s new name (see Note 1). Donated services are recognized if the services received (a) create or enhance non-financial assets, or (b) require specialized skills, provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. This donation has been recorded at its fair value and is shown with Contributions and Foundation Grants in the consolidated statement of activities and with Marketing and Public Relations in the consolidated statement of functional expenses.

NOTE 9 SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 22, 2017, which is the date that the consolidated financial statements were available to be issued.

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2016**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 144,438
Accounts Receivable, Net of Allowance of \$5,796	213,307
Promises to Give	500
Prepaid Expenses	24,526
Due from Foundation	1,302
Total Current Assets	384,073

LAND, PROPERTY, AND EQUIPMENT

Land, Property, and Equipment - Net of Accumulated Depreciation	841,804
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Total Assets	\$ 1,225,877
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	7,561
Accrued Expenses	43,779
Deferred Revenue	53,421
Total Current Liabilities	104,761

NONCURRENT LIABILITIES

Deferred Revenue	15,738
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Total Liabilities	120,499
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NET ASSETS

Unrestricted	1,089,284
Temporarily Restricted	16,094
Total Net Assets	1,105,378

Total Liabilities and Net Assets	\$ 1,225,877
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**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Grants and Contracts	\$ 1,145,854	\$ -	\$ 1,145,854
United Way	114,580	-	114,580
Sales to Public	339,581	-	339,581
Contributions and Foundation Grants	203,253	16,094	219,347
Fundraising and Special Events	70,085	-	70,085
Miscellaneous	2,662	-	2,662
Interest and Dividends	-	-	-
Foundation Income	163,452	-	163,452
Net Assets Released From Restriction	40,107	(40,107)	-
Total Revenues and Other Support	<u>2,079,574</u>	<u>(24,013)</u>	<u>2,055,561</u>
EXPENSES			
Program Services			
Work Center	1,436,296	-	1,436,296
Employment	321,693	-	321,693
Total Program Services	<u>1,757,989</u>	<u>-</u>	<u>1,757,989</u>
Supporting Services			
Development	88,159	-	88,159
Management and General	202,784	-	202,784
Total Supporting Services	<u>290,943</u>	<u>-</u>	<u>290,943</u>
Total Expenses	<u>2,048,932</u>	<u>-</u>	<u>2,048,932</u>
CHANGE IN NET ASSETS	30,642	(24,013)	6,629
Net Assets - Beginning of Year	<u>1,058,642</u>	<u>40,107</u>	<u>1,098,749</u>
NET ASSETS - END OF YEAR	<u><u>\$ 1,089,284</u></u>	<u><u>\$ 16,094</u></u>	<u><u>\$ 1,105,378</u></u>

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2016**

	Program Services			Supporting Services			Total
	Work Center	Employment	Program Total	Development	Management and General	Supporting Total	
Contract Labor	\$ 5,316	\$ -	\$ 5,316	\$ -	\$ 737	\$ 737	\$ 6,053
Fringe Benefits	129,460	22,265	151,725	3,184	18,181	21,365	173,090
Payroll Taxes	71,507	16,853	88,360	4,728	16,183	20,911	109,271
Staff Salaries	762,209	226,636	988,845	61,994	124,734	186,728	1,175,573
Wages Consumers	174,752	-	174,752	-	-	-	174,752
Total Compensation	1,143,244	265,754	1,408,998	69,906	159,835	229,741	1,638,739
Bank and Merchant Fees	-	-	-	-	3,059	3,059	3,059
Depreciation	49,685	2,302	51,987	534	2,970	3,504	55,491
Direct Materials	26,770	-	26,770	-	-	-	26,770
Employee Appreciation/Goodwill	2,378	428	2,806	138	470	608	3,414
Employee Recruiting and Screenings	941	1,720	2,661	527	-	527	3,188
Equipment Lease	7,655	607	8,262	152	759	911	9,173
In-Kind Donated Supplies	-	-	-	-	-	-	-
Insurance – Commercial	30,266	579	30,845	573	1,297	1,870	32,715
Interest	-	-	-	-	48	48	48
Legal and Professional Fees	180	-	180	-	12,950	12,950	13,130
Marketing and Public Relations	4,738	5,234	9,972	5,470	4,727	10,197	20,169
Membership Dues and Fees	1,569	16	1,585	1,098	2,515	3,613	5,198
Office Supplies	10,431	2,781	13,212	1,659	2,876	4,535	17,747
Payroll Processing Fees	14,327	388	14,715	65	434	499	15,214
Postage and Shipping	2,157	352	2,509	1,264	440	1,704	4,213
Printing	-	28	28	1,146	-	1,146	1,174
Property Tax	-	-	-	-	114	114	114
Repair and Maintenance - Equipment	1,171	48	1,219	159	60	219	1,438
Repair and Maintenance - Facility	56,460	640	57,100	348	903	1,251	58,351
Repair and Maintenance - Vehicles	6,098	-	6,098	-	-	-	6,098
Technology Supplies and Expenses	9,763	1,469	11,232	4,055	3,215	7,270	18,502
Telephone and Internet	7,641	2,781	10,422	756	2,145	2,901	13,323
Training	2,514	3,622	6,136	-	1,879	1,879	8,015
Transportation	26,105	32,333	58,438	27	1,225	1,252	59,690
Utilities	32,203	611	32,814	282	863	1,145	33,959
Total Expenses	\$ 1,436,296	\$ 321,693	\$ 1,757,989	\$ 88,159	\$ 202,784	\$ 290,943	\$ 2,048,932

**CITIZENS DEVELOPMENT CENTER, (DBA ACHIEVE)
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$	6,629
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation		55,491
Donated Property and Equipment		(51,082)
(Increase) Decrease in Operating Assets:		
Accounts Receivable		(22,168)
Promises to Give		9,500
Prepaid Expenses		(575)
Due From Foundation		(302)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable		(28,948)
Accrued Expenses		5,680
Deferred Revenue		2,843
Net Cash Used by Operating Activities		(22,932)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Property and Equipment		(37,697)
Net Cash Used by Investing Activities		(37,697)

NET DECREASE IN CASH AND CASH EQUIVALENTS

(60,629)

Cash and Cash Equivalents - Beginning of Year

205,067

CASH AND CASH EQUIVALENTS - End of Year

\$ 144,438

NONCASH INVESTING AND FINANCING ACTIVITIES

Interest Paid		\$ 48
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**CDC FOUNDATION
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2016**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	94,166
Mineral Royalties Receivable		<u>5,858</u>
Total Current Assets		<u>100,024</u>

NONCURRENT ASSETS

Investments - Marketable Securities		<u>397,223</u>
Total Assets	\$	<u><u>497,247</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Due to Citizens Development Center	\$	<u>1,302</u>
Total Liabilities		1,302

NET ASSETS

Unrestricted		481,687
Temporarily Restricted		<u>14,258</u>
Total Net Assets		<u>495,945</u>
Total Liabilities and Net Assets	\$	<u><u>497,247</u></u>

**CDC FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2016**

	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT			
Royalties on Oil and Gas, Net of Direct Expenses of \$1,525	\$ 21,736	\$ -	\$ 21,736
Interest and Dividends, Net of Advisory Fees and Bond Premiums	6,740	5	6,745
Capital Gain Income on Investments	15,846	-	15,846
Realized and Unrealized Gain on Investments, net of Amortization and Accretion	1,816	-	1,816
Contributions	3,982	-	3,982
Net Assets Released From Restrictions	326	(326)	-
Total Revenues and Other Support	50,446	(321)	50,125
EXPENSES			
Program Services - Mission and Benevolence	163,778	-	163,778
Total Expenses	163,778	-	163,778
CHANGE IN NET ASSETS	(113,332)	(321)	(113,653)
Net Assets - Beginning of Year	595,019	14,579	609,598
NET ASSETS - END OF YEAR	\$ 481,687	\$ 14,258	\$ 495,945

**CDC FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2016**

	Program Services Missions and Benevolence	Total
Mission Expenses	\$ 163,452	\$ 163,452
Atrium Plant Maintenance	326	326
Total Expenses	\$ 163,778	\$ 163,778

**CDC FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (113,653)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Amortization and Accretion of Bonds, Net	1,503
Investment Income and Dividends Reinvested	(17,604)
Realized and Unrealized Gain on Investments	(3,319)
(Increase) Decrease in Operating Assets:	
Mineral Royalties Receivable	4,328
Increase (Decrease) in Operating Liabilities:	
Due to CDC, Inc.	302
Net Cash Used by Operating Activities	(128,443)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales of Investments	131,163
Net Cash Provided by Operating Activities	131,163

NET DECREASE IN CASH AND CASH EQUIVALENTS

2,720

Cash and Cash Equivalents - Beginning of Year

91,446

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 94,166