

**THE CHILDREN'S BEREAVEMENT CENTER
OF SOUTH TEXAS**

**FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
FINANCIAL STATEMENTS
December 31, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Children's Bereavement Center of South Texas
San Antonio, Texas

Report on Financial Statements

We have audited the accompanying financial statements of The Children's Bereavement Center of South Texas (CBCST), a non-profit corporation, as of December 31, 2015 and 2014, and the related statements of activities (with comparative totals for 2014), functional expenses (with comparative totals for 2014), and cash flows 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; 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 The Children's Bereavement Center of South Texas as of December 31, 2015 and 2014, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April XX, 2016, on our consideration of CBCST's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CBCST's internal control over financial reporting and compliance.


Randy Walker

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San Antonio, Texas
April XX, 2016

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THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
STATEMENTS OF FINANCIAL POSITION
December 31, 2015 and 2014

| | 2015 | 2014 |
|--|---------------------|---------------------|
| <u>ASSETS</u> | | |
| Cash and Cash Equivalents | \$ 763,773 | \$ 904,706 |
| Investments | 857,757 | 767,904 |
| Grants and Pledges Receivable | 49,918 | 154,812 |
| Prepaid Expenses | 59,046 | 33,091 |
| Other Assets | 61,700 | 29,502 |
| Property and Equipment, net | 1,982,931 | 2,066,466 |
| TOTAL ASSETS | \$ 3,775,125 | \$ 3,956,481 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| LIABILITIES | | |
| Accounts Payable | \$ 29,111 | \$ 5,290 |
| Accrued Expenses | 21,690 | 48,190 |
| Deferred Income | 106,600 | 93,650 |
| TOTAL LIABILITIES | 157,401 | 147,130 |
| NET ASSETS | | |
| Unrestricted | | |
| Undesignated | 995,404 | 915,353 |
| Board Designated: Future Operations | 500,000 | 500,000 |
| Board Designated: Investment in Fixed Assets | 1,982,931 | 2,066,466 |
| Total Unrestricted | 3,478,335 | 3,481,819 |
| Temporarily Restricted | 139,389 | 327,532 |
| TOTAL NET ASSETS | 3,617,724 | 3,809,351 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 3,775,125 | \$ 3,956,481 |

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

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015
(with comparative totals for 2014)

| | 2015 | | | 2014 |
|--|---------------------|---------------------------|------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Total | |
| <u>SUPPORT AND REVENUE</u> | | | | |
| Grants and Foundations | \$ 386,731 | \$ 81,080 | \$ 467,811 | \$ 553,500 |
| Contributions | 500,490 | - | 500,490 | 465,464 |
| Fundraising Events, net of direct expenses of \$61,665 and \$52,179, respectively | 230,874 | - | 230,874 | 178,918 |
| In-Kind Contributions | 205,146 | - | 205,146 | 159,905 |
| Program Fees | 15,919 | - | 15,919 | 15,059 |
| Interest Income | 916 | - | 916 | 5,324 |
| Unrealized and Realized (Loss) Gain on Investments | (25,221) | - | (25,221) | 12,024 |
| Other Income | - | - | - | 873 |
| Net Assets Released from Restrictions | 269,223 | (269,223) | - | - |
| TOTAL SUPPORT AND REVENUE | 1,584,078 | (188,143) | 1,395,935 | 1,391,067 |
| <u>EXPENSES</u> | | | | |
| Program Services | 1,330,477 | - | 1,330,477 | 1,153,693 |
| Supporting Services | 257,085 | - | 257,085 | 256,703 |
| TOTAL EXPENSES | 1,587,562 | - | 1,587,562 | 1,410,396 |
| Change in Net Assets | (3,484) | (188,143) | (191,627) | (19,329) |
| Net Assets, Beginning of Year | 3,481,819 | 327,532 | 3,809,351 | 3,828,680 |
| NET ASSETS, End of Year | \$ 3,478,335 | \$ 139,389 | \$ 3,617,724 | \$ 3,809,351 |

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

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

| | 2015 | 2014 |
|--|-------------------|-------------------|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| Decrease in Net Assets from Operations | \$ (191,627) | \$ (19,329) |
| Adjustments to Reconcile Net Change to Net Cash | | |
| Provided by Operations: | | |
| Loss on Disposal of Assets | 9,711 | - |
| Depreciation Expense | 118,048 | 112,775 |
| Unrealized and Realized Loss (Gain) on Investments | 25,221 | (12,024) |
| Decrease (Increase) in Assets: | | |
| Grants and Pledges Receivable | 104,894 | (54,902) |
| Prepaid Expenses | (25,955) | (1,724) |
| Other Assets | (32,198) | (29,502) |
| Increase (Decrease) in Liabilities: | | |
| Accounts Payable | 23,821 | (3,687) |
| Accrued Expenses | (26,500) | 14,873 |
| Deferred Income | 12,950 | 48,483 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 18,365 | 54,963 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | |
| Purchase of Investments | (115,074) | (755,880) |
| Purchase of Property and Equipment | (44,224) | (30,896) |
| NET CASH USED BY INVESTING ACTIVITIES | (159,298) | (786,776) |
| NET DECREASE IN CASH FLOWS | (140,933) | (731,813) |
| Cash and Cash Equivalents, Beginning of Year | 904,706 | 1,636,519 |
| CASH AND CASH EQUIVALENTS, End of Year | \$ 763,773 | \$ 904,706 |

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

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2015
(with comparative totals for 2014)

| | Program Services | | | | Supporting Services | | | 2014 Total |
|--------------------------------|---------------------|-----------------------|---------------------|-------------------|---------------------------|------------------------|---------------------|---------------------|
| | Child Services | Community Outreach | Total Program | Fundraising | Management and General | Supporting Services | 2015 Total | |
| EXPENSES | | | | | | | | |
| Salaries and Related Expenses | \$ 461,009 | \$ 196,614 | \$ 657,623 | \$ 121,053 | \$ 51,422 | \$ 172,475 | \$ 830,098 | \$ 729,906 |
| In-Kind Services and Goods | 196,940 | 2,051 | 198,991 | 6,155 | - | 6,155 | 205,146 | 159,905 |
| Depreciation Expense | 101,521 | 5,902 | 107,423 | 2,361 | 8,264 | 10,625 | 118,048 | 112,775 |
| Insurance - Health | 36,601 | 11,109 | 47,710 | 6,907 | 1,808 | 8,715 | 56,425 | 41,339 |
| Supplies and Food | 40,796 | 5,273 | 46,069 | 1,630 | 1,406 | 3,036 | 49,105 | 40,553 |
| Professional Fees | 29,236 | 8,315 | 37,551 | 7,892 | 5,439 | 13,331 | 50,882 | 50,965 |
| Repairs and Maintenance | 32,118 | 2,026 | 34,144 | 1,063 | 561 | 1,624 | 35,768 | 32,909 |
| Professional Development | 11,083 | 9,873 | 20,956 | 1,382 | 4,463 | 5,845 | 26,801 | 25,621 |
| Printing and Publications | 11,274 | 10,773 | 22,047 | 3,003 | 1,047 | 4,050 | 26,097 | 32,255 |
| Student Stipends | 24,666 | 194 | 24,860 | 111 | 154 | 265 | 25,125 | 22,786 |
| Travel | 16,770 | 7,699 | 24,469 | 121 | 223 | 344 | 24,813 | 16,170 |
| Equipment Expense | 14,439 | 4,273 | 18,712 | 2,084 | 853 | 2,937 | 21,649 | 15,377 |
| Marketing and Public Relations | 7,277 | 4,905 | 12,182 | 1,422 | 4,397 | 5,819 | 18,001 | 55,801 |
| Insurance - Liability | 9,052 | 4,871 | 13,923 | 2,164 | 923 | 3,087 | 17,010 | 14,511 |
| Dues, Fees and Subscriptions | 7,987 | 2,987 | 10,974 | 1,906 | 2,824 | 4,730 | 15,704 | 16,907 |
| Utilities | 12,637 | 636 | 13,273 | 317 | 350 | 667 | 13,940 | 13,362 |
| Contractual Services | 12,366 | - | 12,366 | - | 639 | 639 | 13,005 | 1,005 |
| Rent Expense | 3,011 | 5,353 | 8,364 | 3,350 | 1,267 | 4,617 | 12,981 | 1,390 |
| Telephone | 5,875 | 1,829 | 7,704 | 835 | 1,396 | 2,231 | 9,935 | 8,648 |
| Loss on Disposal of Assets | 3,237 | 3,237 | 6,474 | - | 3,237 | 3,237 | 9,711 | - |
| Postage and Shipping | 2,972 | 1,690 | 4,662 | 2,227 | 429 | 2,656 | 7,318 | 6,811 |
| Uncollectible Pledges | - | - | - | - | - | - | - | 11,400 |
| TOTAL EXPENSES | \$ 1,040,867 | \$ 289,610 | \$ 1,330,477 | \$ 165,983 | \$ 91,102 | \$ 257,085 | \$ 1,587,562 | \$ 1,410,396 |

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

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES

The accompanying statements of The Children's Bereavement Center of South Texas have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization and Nature of Activities

The Children's Bereavement Center of South Texas (CBCST) was organized in Texas on February 20, 1997, as a non-profit corporation. CBCST provides support groups, counseling, and community awareness programs, and it produces educational material directed towards children who have experienced trauma from the death of a loved one. CBCST's mission is to foster healing for grieving youth, their families and the community through peer support programs, counseling, training, education and outreach.

Basis of Presentation

CBCST is required to report information regarding its financial position and activities according to three classes of net assets:

- Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of CBCST and/or the passage of time.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by CBCST. CBCST had no permanently restricted net assets at December 31, 2015 and 2014.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require 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 statements of cash flows, CBCST considers all highly liquid savings and securities with a maturity of three months or less to be cash equivalents.

Contributions and Grants

CBCST reports contributions and grants as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction 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.

Income Taxes

CBCST is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and as such qualifies for the maximum charitable contributions deduction by donors. As of December 31, 2015, the tax years that remain subject to examination by taxing authorities begin with 2013.

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (continued)

Property and Equipment

Purchased property and equipment are stated at cost. Donated assets are recorded at estimated market value at the date of donation. Expenses for betterments that materially extend the useful life of an asset are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

| | |
|---------------------------------|---------------|
| Building | 39 years |
| Computer Equipment and Software | 3 to 10 years |
| Furniture and Equipment | 3 to 10 years |
| Website | 5 years |

Deferred Income

Deferred income represents funds received from donors that are provided for the following year's operating budget and advanced table sales for the following year's annual gala.

NOTE 2 – GRANTS AND PLEDGES RECEIVABLE

The grants and pledges receivable represents unconditional gifts from donors that are expected to be collected as follows at December 31:

| | <u>2015</u> | <u>2014</u> |
|---------------------------|------------------|-------------------|
| Due in less than one year | \$ 46,568 | \$ 151,412 |
| Due in one to five years | <u>3,350</u> | <u>3,400</u> |
| Total | <u>\$ 49,918</u> | <u>\$ 154,812</u> |

Management considers all receivables as of December 31, 2015 and 2014 to be fully collectible. Therefore, no allowance for doubtful accounts has been established.

NOTE 3 – IN-KIND CONTRIBUTIONS

CBCST receives significant support from the public in the form of in-kind services. For the years ended December 31, 2015 and 2014, in-kind services provided by volunteers with specialized skills totaled 6,182 and 5,673 hours, respectively. The total value of these services amounted to \$152,436 and \$132,748, respectively. These services included program facilitators and counselors, community outreach, secretarial, fundraising, and grant writing.

Many other unpaid volunteers have made contributions of their time to CBCST during the years ended December 31, 2015 and 2014. The value of this contributed time is not reflected in the accompanying financial statements since it is not susceptible to objective measurement or valuation.

During the years ended December 31, 2015 and 2014, CBCST received donations of goods valued at \$52,710 and \$27,158, respectively.

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were for the following purposes at December 31:

| | <u>2015</u> | <u>2014</u> |
|--------------------------|--------------------------|--------------------------|
| Room to Heal Program | \$ 31,641 | \$ 75,865 |
| Future Years' Operations | 91,668 | 251,667 |
| Facilities Project | 16,080 | - |
| Total | \$ <u>139,389</u> | \$ <u>327,532</u> |

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

| | <u>2015</u> | <u>2014</u> |
|---------------------------------|----------------------------|----------------------------|
| Land | \$ 107,832 | \$ 107,832 |
| Building | 2,040,283 | 1,996,059 |
| Computer Equipment and Software | 61,745 | 83,535 |
| Furniture and Equipment | 448,353 | 452,030 |
| Website | 34,985 | 35,161 |
| | 2,693,198 | 2,674,617 |
| Less Accumulated Depreciation | (710,267) | (608,151) |
| Total Property and Equipment | \$ <u>1,982,931</u> | \$ <u>2,066,466</u> |

Depreciation expense for the years ended December 31, 2015 and 2014 was \$118,048 and \$112,775, respectively.

NOTE 6 – CONCENTRATION OF CREDIT RISK

CBCST maintains its cash balances in several checking accounts at five financial institutions. The Federal Deposit Insurance Corporation insures cash balances up to \$250,000 per bank. At December 31, 2015 and 2014, CBCST's uninsured cash balances totaled \$23,739 and \$45,250, respectively, without consideration of reconciling items.

NOTE 7 – BOARD DESIGNATED NET ASSETS

Board designated net assets were for the following purposes at December 31:

| | <u>2015</u> | <u>2014</u> |
|----------------------------|----------------------------|----------------------------|
| Future Operations | \$ 500,000 | \$ 500,000 |
| Investment in Fixed Assets | 1,982,931 | 2,066,466 |
| Total | \$ <u>2,482,931</u> | \$ <u>2,566,466</u> |

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 8 – OPERATING LEASE COMMITMENTS

CBCST has two non-cancelable operating leases for copier equipment that expire at various dates through July 2019. Lease payments range from \$212 to \$549 per month for a period of 48 months. Total office equipment lease expense for the years ended December 31, 2015 and 2014 was \$10,867 and \$8,706, respectively.

In August 2015, CBCST entered into a three year non-cancellable operating lease agreement for office space that expires in August 2018 with monthly rental payments of \$1,875. Rent expense under this lease agreement for the years ended December 31, 2015 and 2014 was \$12,981 and \$0-, respectively.

The total future required minimum lease payments for these operating leases are as follows:

| Years Ending December 31, | |
|------------------------------|------------------|
| 2016 | \$ 31,630 |
| 2017 | 31,630 |
| 2018 | 17,315 |
| Total | <u>\$ 80,575</u> |

NOTE 9 – INVESTMENTS

Investments consisted of the following at December 31:

| | <u>2015</u> | | <u>2014</u> | |
|----------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>Fair Value</u> | <u>Cost</u> | <u>Fair Value</u> | <u>Cost</u> |
| Cash/Money Accounts | \$ 70 | \$ 70 | \$ 2,676 | \$ 2,676 |
| Fixed Income - Bonds | 266,934 | 278,654 | 539,325 | 551,633 |
| Equities | 590,753 | 652,046 | 225,903 | 229,611 |
| Total | <u>\$ 857,757</u> | <u>\$ 930,770</u> | <u>\$ 767,904</u> | <u>\$ 783,920</u> |

Investment activity consisted of the following for the years ended December 31;

| | <u>2015</u> | <u>2014</u> |
|------------------------|--------------------|------------------|
| Interest and Dividends | \$ 10,559 | \$ 4,331 |
| Realized Gain | 21,217 | 25,923 |
| Unrealized Loss | (56,997) | (13,899) |
| Total | <u>\$ (25,221)</u> | <u>\$ 16,355</u> |

NOTE 10 – FAIR VALUE OF FINANCIAL INSTRUMENTS

CBCST adopted the provisions of ASC 820, "Fair Value Measurements and Disclosures" (formerly SFAS 157). ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market, and establishes a framework for measuring fair value in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The adoption of ASC 820 did not affect CBCST's financial position or results of operations.

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 10 – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The valuation techniques required by ASC 820 are based upon observable and unobservable inputs, and ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority.
- Level 2 valuations are based on quoted prices in markets that are not active.
- Level 3 valuations are based on inputs that are unobservable and supported by little or no market activity.

CBCST does not have Level 2 or Level 3 assets or liabilities.

CBCST's financial instruments (Level 1) were as follows at December 31:

| | 2015 | | 2014 | |
|-------------------------------|-----------------|------------|-----------------|------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Assets: | | | | |
| Cash and Cash Equivalents | \$ 763,773 | \$ 763,773 | \$ 904,706 | \$ 904,706 |
| Grants and Pledges Receivable | \$ 49,918 | \$ 49,918 | \$ 154,812 | \$ 154,812 |
| Prepaid Expenses | \$ 59,046 | \$ 59,046 | \$ 33,091 | \$ 33,091 |
| Other Assets | \$ 61,700 | \$ 61,700 | \$ 29,502 | \$ 29,502 |
| Financial Liabilities: | | | | |
| Accounts Payable | \$ 29,111 | \$ 29,111 | \$ 5,290 | \$ 5,290 |
| Accrued Expenses | \$ 21,690 | \$ 21,690 | \$ 48,190 | \$ 48,190 |
| Deferred Income | \$ 106,600 | \$ 106,600 | \$ 93,650 | \$ 93,650 |

The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.

CBCST's financial instruments also include investments. The fair values of investments are based on quoted market prices for those or similar investments.

NOTE 11 – LINE OF CREDIT

On June 24, 2011, CBCST entered into an unsecured revolving line of credit agreement for up to \$100,000. The line of credit had an interest rate of 4% per annum and matured on May 30, 2015. As of December 31, 2014, the outstanding balance was \$-0-. The line of credit was not renewed in 2015.

NOTE 12 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and general and administrative expenses have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program and supporting services benefited.

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 13 – PROGRAM SERVICES

CBCST's purpose is to help children and families who have experienced the death of someone significant in their lives. In addition to on-going support groups and counseling, CBCST provides training, crisis intervention, and consultation services to individuals, schools, churches, and various types of community agencies. The following tables provide statistics of services provided to the public at large during the years ended December 31, 2015 and 2014. A "unit of service" is based on a mental health hour of 50 minutes of service provided to an individual or family by CBCST. Units of service may include direct and indirect support services provided to an individual or family.

Services provided at December 31, 2015:

| | <u>Unduplicated Participants</u> | <u>Program Service Visits</u> | <u>Units of Service</u> |
|---|--------------------------------------|---------------------------------------|-----------------------------|
| Peer support program | | | |
| Children and youth served | 465 | 2,990 | 7,176 |
| Adult caregivers served | 382 | 2,233 | 5,359 |
| Total peer support program | 847 | 5,223 | 12,535 |
| Individual and family counseling program | | | |
| Children and youth served | 204 | 1,325 | 1,590 |
| Adult caregivers served | 98 | 801 | 961 |
| Telephone Calls and Consultants | 1,075 | 609 | 152 |
| Total served under counseling program | 1,377 | 2,735 | 2,703 |
| Family assessments | | | |
| Children and youth served | 523 | 523 | 941 |
| Adult caregivers served | 446 | 464 | 835 |
| Total family assessments | 969 | 987 | 1,776 |
| Camps and external groups | | | |
| Pre-Camp Assessment, Adults | 25 | 25 | 45 |
| Pre-Camp Assessment, Children | 66 | 66 | 119 |
| Camp participants | 66 | 594 | 2,376 |
| External groups | 92 | 462 | 462 |
| Total camps and external groups | * 183 | 1,147 | 3,002 |
| Family workshops and activities | 335 | 335 | 1,005 |
| Total bereavement program services | * 1,508 | 10,427 | 21,021 |
| Community outreach services | | | |
| Training, education and outreach | 10,538 | 10,538 | 33,499 |
| Total for all programs and services | * 12,046 | 21,300 | 55,526 |

* Total omits duplicate participants

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 13 – PROGRAM SERVICES (continued)

Services provided at December 31, 2014:

| | Unduplicated Participants | Program Service Visits | Units of Service |
|---|--------------------------------------|---------------------------------------|-----------------------------|
| Peer support program | | | |
| Children and youth served | 551 | 3,306 | 7,934 |
| Adult caregivers served | 390 | 2,283 | 5,479 |
| Total peer support program | 941 | 5,589 | 13,413 |
| Individual and family counseling program | | | |
| Children and youth served | 211 | 1,008 | 1,210 |
| Adult caregivers served | 117 | 538 | 646 |
| Anticipatory support | 5 | 11 | 13 |
| Total served under counseling program | 333 | 1,557 | 1,869 |
| Family assessments | | | |
| Children and youth served | 518 | 518 | 932 |
| Adult caregivers served | 385 | 385 | 693 |
| Total family assessments | 903 | 903 | 1,625 |
| Camps and external groups | | | |
| Pre-Camp Assessment, Adults | 22 | 22 | 40 |
| Pre-Camp Assessment, Children | 31 | 31 | 56 |
| Camp participants | 31 | 78 | 733 |
| External groups | 33 | 154 | 54 |
| Total camps and external groups | * 86 | 285 | 883 |
| Family workshops and activities | 322 | 322 | 966 |
| Total bereavement program services | * 1,528 | 8,656 | 18,757 |
| Community outreach services | | | |
| Training, education and outreach | 9,061 | 9,061 | 14,195 |
| Total for all programs and services | * 10,911 | 18,039 | 32,952 |

* Total omits duplicate participants

NOTE 14 – SUBSEQUENT EVENTS

In January 2016, CBCST received a total of \$430,000 in grant funds for a two year period from Methodist Healthcare Ministries and Valley Baptist Legacy Foundation. CBCST's goal is to use the funds to establish a similar bereavement center in the Rio Grande Valley of South Texas.

CBCST has evaluated subsequent events through April XX, 2016, which is the date the financial statements were available to be issued.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
The Children's Bereavement Center of South Texas
San Antonio, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Children's Bereavement Center of South Texas (CBCST), a nonprofit organization, which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April XX, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CBCST's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CBCST's internal control. Accordingly, we do not express an opinion on the effectiveness of CBCST's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CBCST's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CBCST's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


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San Antonio, Texas
April XX, 2016

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