

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

**FINANCIAL STATEMENTS WITH
COMPLIANCE REPORTING**

December 31, 2017 and 2016

THE CHILDREN’S BEREAVEMENT CENTER OF SOUTH TEXAS
FINANCIAL STATEMENTS WITH COMPLIANCE REPORTING
December 31, 2017 and 2016

TABLE OF CONTENTS

Independent Auditor’s Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-14
Other Reporting Required:	
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 <i>Government Auditing Standards</i>	15-16

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, which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities (with comparative totals for 2016), functional expenses (with comparative totals for 2016), 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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.

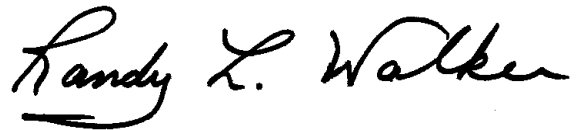
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CBCST as of December 31, 2017 and 2016, 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 May 15, 2018 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.

A handwritten signature in black ink that reads "Randy L. Walker". The signature is written in a cursive style with a prominent underline under the first letter of the last name.

San Antonio, Texas
May 15, 2018

Financial Statements

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
STATEMENTS OF FINANCIAL POSITION
December 31, 2017 and 2016

	2017	2016
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 773,078	\$ 801,990
Investments	1,069,763	928,215
Grants Receivable	94,234	161,186
Prepaid Expenses	50,567	56,844
Total Current Assets	1,987,642	1,948,235
<u>PROPERTY AND EQUIPMENT (net)</u>	1,886,223	1,946,494
TOTAL ASSETS	\$ 3,873,865	\$ 3,894,729
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 31,637	\$ 54,223
Accrued Expenses	47,762	34,663
Deferred Income	91,750	47,420
TOTAL LIABILITIES	171,149	136,306
<u>NET ASSETS</u>		
Without Donor Restrictions:		
Undesignated	624,326	992,497
Board Designated: Future Operations	775,000	500,000
Board Designated: Investment in Fixed Assets	1,886,223	1,946,494
Total Without Donor Restrictions	3,285,549	3,438,991
With Donor Restrictions	417,167	319,432
TOTAL NET ASSETS	3,702,716	3,758,423
TOTAL LIABILITIES AND NET ASSETS	\$ 3,873,865	\$ 3,894,729

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, 2017
(with comparative totals for 2016)

	2017			2016 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<u>OPERATING SUPPORT AND REVENUE</u>				
Contributions	\$ 800,608	\$ 5,500	\$ 806,108	\$ 395,384
Grants and Foundations	398,879	381,060	779,939	876,093
In-Kind Contributions	291,378	-	291,378	292,172
Fundraising Events, net of direct expenses of \$164,800 and \$224,191, respectively	174,961	-	174,961	452,084
Unrealized and Realized Gain on Investments	132,760	-	132,760	62,260
Program Fees	20,360	-	20,360	24,615
Interest Income	10,589	-	10,589	9,736
Net Assets Released from Restrictions	288,825	(288,825)	-	-
TOTAL OPERATING SUPPORT AND REVENUE	2,118,360	97,735	2,216,095	2,112,344
<u>OPERATING EXPENSES</u>				
Program Services	1,941,223	-	1,941,223	1,709,905
Supporting Services	330,579	-	330,579	261,740
TOTAL OPERATING EXPENSES	2,271,802	-	2,271,802	1,971,645
Change in Net Assets	(153,442)	97,735	(55,707)	140,699
NET ASSETS, Beginning of Year	3,438,991	319,432	3,758,423	3,617,724
NET ASSETS, End of Year	\$ 3,285,549	\$ 417,167	\$ 3,702,716	\$ 3,758,423

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, 2017
(with comparative totals for 2016)

	Program Services				Supporting Services			2017 Total	2016 Total
	Child Services	CBC-RGV Initiative	Community Outreach	Total Program Services	Fundraising	Management and General	Total Supporting Services		
<u>OPERATING EXPENSES</u>									
Salaries and Related Expenses	\$ 590,379	\$ 254,641	\$ 189,993	\$ 1,035,013	\$ 150,187	\$ 71,867	\$ 222,054	\$ 1,257,067	\$ 1,048,995
In-Kind Goods and Services	232,924	58,354	-	291,278	-	-	-	291,278	246,177
Depreciation Expense	79,633	8,367	5,176	93,176	3,106	7,247	10,353	103,529	113,846
Supplies and Food	49,533	21,173	10,694	81,400	3,151	1,641	4,792	86,192	58,645
Rent Expense	4,322	49,500	10,925	64,747	6,819	2,532	9,351	74,098	24,239
Professional Fees	33,326	7,660	9,027	50,013	6,707	2,774	9,481	59,494	62,630
Repairs and Maintenance	42,206	1,871	2,644	46,721	1,390	1,271	2,661	49,382	44,555
Marketing and Public Relations	16,645	965	10,282	27,892	3,307	11,499	14,806	42,698	88,280
Travel	17,923	12,472	9,241	39,636	929	340	1,269	40,905	48,553
Printing and Publications	20,027	3,858	6,812	30,697	8,901	1,151	10,052	40,749	35,505
Equipment Expense	19,222	6,128	4,261	29,611	6,897	2,548	9,445	39,056	26,524
Contractual Services	25,291	-	1,290	26,581	8,348	1,349	9,697	36,278	14,000
Dues, Fees and Subscriptions	12,418	4,611	5,011	22,040	4,944	3,884	8,828	30,868	22,869
Student Stipends	29,209	-	-	29,209	692	921	1,613	30,822	25,228
Professional Development	8,513	3,013	9,718	21,244	1,622	5,969	7,591	28,835	34,363
Insurance - Liability	11,924	2,000	2,585	16,509	1,929	808	2,737	19,246	16,331
Telephone	5,857	7,066	1,347	14,270	900	1,035	1,935	16,205	12,518
Utilities	13,130	-	889	14,019	491	405	896	14,915	13,915
Postage and Shipping	2,364	387	2,087	4,838	1,951	578	2,529	7,367	6,334
Events	-	1,866	463	2,329	489	-	489	2,818	-
Loss on Disposal of Assets	-	-	-	-	-	-	-	-	28,138
TOTAL OPERATING EXPENSES	\$ 1,214,846	\$ 443,932	\$ 282,445	\$ 1,941,223	\$ 212,760	\$ 117,819	\$ 330,579	\$ 2,271,802	\$ 1,971,645

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, 2017 and 2016

	2017	2016
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets from Operations	\$ (55,707)	\$ 140,699
Adjustments to Reconcile Net Change to Net Cash		
Provided by Operations:		
Depreciation Expense	103,529	113,846
Unrealized and Realized Gain on Investments	(132,760)	(62,260)
Loss on Disposal of Assets	-	28,138
Decrease (Increase) in Assets:		
Grants Receivable	66,952	(111,268)
Prepaid Expenses	6,277	2,202
(Decrease) Increase in Liabilities:		
Accounts Payable	(22,586)	25,112
Accrued Expenses	13,099	12,973
Deferred Income	44,330	(59,180)
NET CASH PROVIDED BY OPERATING ACTIVITIES	23,134	90,262
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase and Contribution of Investments	(8,788)	(8,198)
Purchase of Property and Equipment	(43,258)	(105,547)
NET CASH USED BY INVESTING ACTIVITIES	(52,046)	(113,745)
NET DECREASE IN CASH FLOWS	(28,912)	(23,483)
CASH AND CASH EQUIVALENTS, Beginning of Year	801,990	825,473
CASH AND CASH EQUIVALENTS, End of Year	\$ 773,078	\$ 801,990

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, 2017 and 2016

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

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.

In February 2017, CBCST opened The Children's Bereavement Center of Rio Grande Valley to provide support groups, counseling, and community awareness programs for children in the Rio Grande Valley who have experienced trauma from the death of a loved one.

Basis of Presentation

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

- Net assets without donor restrictions – Net assets available for use in the general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board of Directors are reported as net assets without donor restrictions, board designated.
- Net assets with donor restrictions – Net assets subject to donor restrictions that may or will be met either by actions of CBCST and/or the passage of time.

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 or funds. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (continued)

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, 2017, the tax years that remain subject to examination by taxing authorities begin with 2015.

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
Vehicles	5 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.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued a new accounting pronouncement regarding revenue recognition effective for reporting periods beginning after December 15, 2018. Management does not expect the new standard to have a significant impact on its financial position, results of operations, and related disclosures.

In February 2016, the FASB issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2019. A lessee will be required to recognize on the statements of financial position the assets and liabilities for leases with lease terms of more than twelve months. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

Recently Adopted Accounting Pronouncements

In August 2016, the FASB issued Accounting Standard Update 2016-14, regarding the reporting and disclosure requirements for not-for-profit organizations, effective for periods beginning after December 15, 2017 with early adoption encouraged. The pronouncement replaces the three classes of net assets with two new classes, requires the reporting of expense by function and natural classification, enhances disclosures on liquidity and availability of resources, and includes several other less significant reporting enhancements. CBCST has early adopted this new pronouncement effective January 1, 2017, and the prior year presentation is conformed.

THE CHILDREN’S BEREAVEMENT CENTER OF SOUTH TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES (continued)

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications are due to the adoption of Accounting Standards Update 2016-14, as discussed above, which requires two classifications of net assets from the previously presented three classes. Net assets previously classified at December 31, 2016 as “unrestricted” are now classified as net assets “without donor restrictions”. Net assets previously classified as “temporarily restricted” and “permanently restricted” are now classified as net assets “with donor restrictions”. The reclassifications had no effect on the previously reported change in net assets.

NOTE 2 – GRANTS RECEIVABLE

The grants receivable represents unconditional gifts from donors and reimbursements from state and local agencies that management considers to be fully collectible. Therefore, no allowance for doubtful accounts has been established. CBCST had grants receivable of \$94,234 and \$161,186 at December 31, 2017 and 2016, respectively.

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, 2017 and 2016, in-kind services provided by volunteers with specialized skills totaled 11,483 and 9,567 hours, respectively. The total value of these services amounted to \$291,278 and \$240,227, 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, 2017 and 2016. 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, 2017 and 2016, CBCST received donations of goods valued at \$-0- and \$52,710, respectively.

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were for the following purposes at December 31:

	<u>2017</u>	<u>2016</u>
CBC-RGV Initiative	\$ 50,000	\$ 220,000
Wonders & Worries/START Center	175,000	-
Healing Programs for Grieving Youth	120,000	-
Sibling Group	41,667	41,667
Sutherland Springs	30,000	-
Dishwasher Replacement	500	-
Room to Heal Program	-	4,985
Butterfly Bench	-	2,780
Future Years’ Operations	-	50,000
Total	\$ <u>417,167</u>	\$ <u>319,432</u>

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Land	\$ 107,832	\$ 107,832
Building	2,074,833	2,074,833
Computer Equipment and Software	25,731	36,140
Furniture and Equipment	422,587	394,648
Vehicles	45,996	45,996
Website	34,985	34,985
	<u>2,711,964</u>	<u>2,694,434</u>
Less Accumulated Depreciation	<u>(825,741)</u>	<u>(747,940)</u>
Total Property and Equipment (net)	\$ <u>1,886,223</u>	\$ <u>1,946,494</u>

Depreciation expense for the years ended December 31, 2017 and 2016 was \$103,529 and \$113,846, 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, 2017 and 2016, CBCST's uninsured cash balances totaled \$186,918 and \$2,200, respectively, without consideration of reconciling items.

NOTE 7 – BOARD DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

Board designated net assets without donor restrictions were for the following purposes at December 31:

	<u>2017</u>	<u>2016</u>
Future Operations	\$ 775,000	\$ 500,000
Investment in Fixed Assets	<u>1,886,223</u>	<u>1,946,494</u>
Total	\$ <u>2,661,223</u>	\$ <u>2,446,494</u>

NOTE 8 – OPERATING LEASE COMMITMENTS

CBCST has several non-cancelable operating leases for copiers and office equipment that expire on various dates through January 2021. Lease payments range from \$120 to \$548 per month for a period of 36-48 months. Total office equipment lease expense for the years ended December 31, 2017 and 2016 was \$10,470 and \$10,867, 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. CBCST entered into an office space lease for the Rio Grande Valley center in February 2017. Lease payments are \$4,500 per month for 36 months. Rent expense under these agreements for the years ended December 31, 2017 and 2016 was \$74,097 and \$24,239, respectively.

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 8 – OPERATING LEASE COMMITMENTS (continued)

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

Years Ending December 31,		
2018	\$	73,125
2019		57,764
2020		5,940
2021		<u>120</u>
	Total \$	<u><u>136,949</u></u>

NOTE 9 – INVESTMENTS

Investments consisted of the following at December 31:

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Cash/Money Accounts	\$ 597	\$ 597	\$ 143,674	\$ 143,675
Equities	784,764	698,975	531,126	545,458
Fixed Income - Bonds	284,402	290,987	253,415	260,247
Total	\$ <u><u>1,069,763</u></u>	\$ <u><u>990,559</u></u>	\$ <u><u>928,215</u></u>	\$ <u><u>949,380</u></u>

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

	2017	2016
Interest and Dividends	\$ 10,589	\$ 9,736
Realized Gain	684	9,907
Unrealized Gain	132,076	52,353
Total	\$ <u><u>143,349</u></u>	\$ <u><u>71,996</u></u>

NOTE 10 – 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 expenses that are allocated include salaries and benefits which are allocated on the basis of estimates of time and effort, as well as utilities, depreciation, insurance, and repairs and maintenance which are allocated on square footage or some other reasonable basis.

NOTE 11 – 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, 2017 and 2016

NOTE 11 – 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:

	<u>2017</u>		<u>2016</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial Assets:				
Cash and Cash Equivalents	\$ 773,078	\$ 773,078	\$ 801,990	\$ 801,990
Grants Receivable	\$ 94,234	\$ 94,234	\$ 161,186	\$ 161,186
Prepaid Expenses	\$ 50,567	\$ 50,567	\$ 56,844	\$ 56,844
Financial Liabilities:				
Accounts Payable	\$ 31,637	\$ 31,637	\$ 54,223	\$ 54,223
Accrued Expenses	\$ 47,762	\$ 47,762	\$ 34,663	\$ 34,663
Deferred Income	\$ 91,750	\$ 91,750	\$ 47,420	\$ 47,420

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 12 – SUBSEQUENT EVENTS

CBCST has evaluated subsequent events through May 15, 2018, which is the date the financial statements were available to be issued.

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 reflect statistics of services provided to the public at large during the years ended December 31, 2017 and 2016. 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.

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 13 – PROGRAM SERVICES (continued)

Services provided at December 31, 2017:

	Unduplicated Participants	Program Service Visits	Units of Service
Peer support program			
Children and youth served	583	3,168	7,603
Adult caregivers served	441	2,242	5,381
Total peer support program	<u>1,024</u>	<u>5,410</u>	<u>12,984</u>
Individual and family counseling program			
Children and youth served	260	1,580	1,896
Adult caregivers served	70	504	605
Telephone calls and consultants	1,142	735	184
Total served under counseling program	<u>1,472</u>	<u>2,819</u>	<u>2,685</u>
Family assessments			
Children and youth served	842	926	1,667
Adult caregivers served	579	584	1,051
Total family assessments	<u>1,421</u>	<u>1,510</u>	<u>2,718</u>
Camps and external groups			
Pre-camp assessment, adults	50	61	110
Pre-camp assessment, children	68	83	149
Camp participants	92	888	3,036
Wonders & Worries	110	307	307
External groups	43	224	224
Total camps and external groups	<u>* 161</u>	<u>1,563</u>	<u>3,826</u>
Family workshops and activities	<u>300</u>	<u>300</u>	<u>900</u>
Total bereavement program services	<u>* 2,181</u>	<u>11,244</u>	<u>23,817</u>
Community outreach services			
Training, education and outreach	<u>5,628</u>	<u>5,628</u>	<u>12,784</u>
Total for all programs and services	<u><u>* 7,809</u></u>	<u><u>16,872</u></u>	<u><u>36,601</u></u>

* Total omits duplicate participants

THE CHILDREN'S BEREAVEMENT CENTER OF SOUTH TEXAS
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 13 – PROGRAM SERVICES (continued)

Services provided at December 31, 2016:

	Unduplicated Participants	Program Service Visits	Units of Service
Peer support program			
Children and youth served	515	2,847	6,833
Adult caregivers served	420	2,079	4,990
Total peer support program	935	4,926	11,823
Individual and family counseling program			
Children and youth served	230	1,362	1,634
Adult caregivers served	75	510	612
Telephone calls and consultants	1,012	720	180
Total served under counseling program	1,317	2,592	2,426
Family assessments			
Children and youth served	578	586	1,055
Adult caregivers served	454	462	832
Total family assessments	1,032	1,048	1,887
Camps and external groups			
Pre-camp assessment, adults	53	53	95
Pre-camp assessment, children	76	76	137
Camp participants	82	738	2,706
External groups	59	479	479
Total camps and external groups	* 188	1,346	3,417
Family workshops and activities	300	300	900
Total bereavement program services	* 1,645	10,212	20,453
Community outreach services			
Training, education and outreach	8,837	8,837	34,707
Total for all programs and services	* 10,482	19,049	55,160

* Total omits duplicate participants

NOTE 14 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

CBCST has approximately \$1,949,426 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure. This consists of cash of \$773,078, investments of \$1,069,763, receivables of \$94,234, and deferred income of \$91,750, net of accounts payable and accrued expenses at year-end. Although some of the financial assets are subject to donor or other contractual restrictions, restrictions are part of the entity's mission that make them available for general expenditure within one year of the statement of financial position date. CBCST has a goal to maintain financial assets on hand to meet at least 90 days of normal operating expenses which are, on average, approximately \$156,416 per month given full programmatic expenditures.

Other Reporting Required

**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, 2017, 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 May 15, 2018.

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.

A handwritten signature in black ink that reads "Randy L. Walker". The signature is written in a cursive style with a prominent underline under the first letter of the first name.

San Antonio, Texas
May 15, 2018