

**RAPE CRISIS CENTER OF COLLIN
COUNTY D/B/A THE TURNING POINT**

FINANCIAL STATEMENTS

December 31, 2016 and 2015

**RAPE CRISIS CENTER OF COLLIN COUNTY D/B/A THE TURNING
POINT
FINANCIAL STATEMENTS**

TABLE OF CONTENTS

	PAGE(S)
Independent Auditor's Report	1-2
Statements of Financial Position December 31, 2016 and 2015	3
Statement of Activities for the Year Ended December 31, 2016	4
Statement of Activities for the Year Ended December 31, 2015	5
Statements of Cash Flows for the Years Ended December 31, 2016 and 2015	6
Statement of Functional Expenses for the Year Ended December 31, 2016	7
Statement of Functional Expenses for the Year Ended December 31, 2015	8
Notes to the Financial Statements	9-15

Frank W Bonn, CPA, PLLC

Certified Public Accountant
6220 Colleyville Blvd., Suite A
Colleyville, Texas 76034

Tel 817-442-0975
Cell 214-551-0500

Member Texas Society
of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
Rape Crisis Center of Collin County, d/b/a The Turning Point
Plano, Texas

We have audited the accompanying financial statements of Rape Crisis Center of Collin County, d/b/a The Turning Point (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to 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.

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rape Crisis Center of Collin County, d/b/a The Turning Point as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Frank W. Bonn, CPA, PLLC". The signature is written in a cursive, flowing style.

Frank W Bonn, CPA, PLLC
Colleyville, Texas

May 11, 2017

RAPE CRISIS CENTER OF COLLIN COUNTY d/b/a THE TURNING POINT
Statements of Financial Position
As of December 31, 2016 and 2015

ASSETS

	2016	2015
Current Assets		
Cash and Cash Equivalents-Unrestricted	\$ 59,164	\$ 49,593
Cash and Cash Equivalents-Temporarily Restricted	-	-
Grants Receivable	66,965	46,071
Prepays and Other Current Assets	-	1,794
Total Current Assets	126,129	97,458
Property and Equipment		
Land and Building	678,581	678,581
Equipment	26,941	26,941
Less: Accumulated Depreciation	(70,201)	(55,781)
Total Property and Equipment	635,321	649,741
TOTAL ASSETS	\$ 761,450	\$ 747,199

LIABILITIES AND NET ASSETS

Current Liabilities		
Note Payable-Current Portion	19,954	18,895
Accrued Expenses	858	25
Deferred Revenue	-	15,000
Total Current Liabilities	20,812	33,920
Long-Term Liabilities		
Note Payable, Less Current Portion	503,962	524,189
Total Long-Term Liabilities	503,962	524,189
Net Assets		
Unrestricted	236,676	189,090
Temporarily Restricted	-	-
Permanently Restricted	-	-
Total Net Assets	236,676	189,090
TOTAL LIABILITIES AND NET ASSETS	\$ 761,450	\$ 747,199

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

RAPE CRISIS CENTER OF COLLIN COUNTY d/b/a THE TURNING POINT
Statement of Activities
For the Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE AND PUBLIC SUPPORT				
Grants - Federal and State	\$ 488,733	\$ —	\$ —	\$ 488,733
Grants - Other	104,857	—	—	104,857
Contributions	46,720	—	—	46,720
In-Kind	—	—	—	—
Interest Income	243	—	—	243
Miscellaneous Income	1,697	—	—	1,697
Special Events	65,090	—	—	65,090
Net Assets Released from Restrictions	—	—	—	—
Total Revenue and Public Support	707,340	—	—	707,340
EXPENSES				
Program Services	621,009	—	—	621,009
General and Administrative	30,409	—	—	30,409
Fundraising	8,336	—	—	8,336
Total Expenses	659,754	—	—	659,754
CHANGE IN NET ASSETS	47,586	—	—	47,586
NET ASSETS AT BEGINNING OF YEAR	189,090	—	—	189,090
NET ASSETS AT END OF YEAR	\$ 236,676	\$ —	\$ —	\$ 236,676

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

RAPE CRISIS CENTER OF COLLIN COUNTY d/b/a THE TURNING POINT
Statement of Activities
For the Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUE AND PUBLIC SUPPORT				
Grants - Federal and State	\$ 214,965	\$ —	\$ —	\$ 214,965
Grants - Other	90,495	—	—	90,495
Contributions	67,337	—	—	67,337
In-Kind	682	—	—	682
Interest Income	622	—	—	622
Miscellaneous Income	1,073	—	—	1,073
Special Events	53,450	—	—	53,450
Net Assets Released from Restrictions	—	—	—	—
Total Revenue and Public Support	428,624	—	—	428,624
EXPENSES				
Program Services	432,666	—	—	432,666
General and Administrative	54,927	—	—	54,927
Fundraising	16,205	—	—	16,205
Total Expenses	503,798	—	—	503,798
CHANGE IN NET ASSETS	(75,174)	—	—	(75,174)
NET ASSETS AT BEGINNING OF YEAR	264,264	—	—	264,264
NET ASSETS AT END OF YEAR	\$ 189,090	\$ —	\$ —	\$ 189,090

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

RAPE CRISIS CENTER OF COLLIN COUNTY d/b/a THE TURNING POINT
Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 47,586	\$ (75,174)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,420	14,420
(Increase) Decrease in Grants Receivable	(20,894)	(31,143)
(Increase) Decrease in Prepaid Expenses	1,794	(1,794)
Decrease in Other Assets	-	-
Increase (Decrease) in Accrued Expenses	833	(38)
Increase (Decrease) in Deferred Revenue	(15,000)	11,000
Net Cash Provided by Operating Activities	28,739	(82,729)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) Decrease in Property and Equipment	-	-
Net Cash Provided (Used) by Investing Activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in Note Payable	(19,168)	(18,039)
Net Cash (Used) by Financing Activities	(19,168)	(18,039)
NET INCREASE IN		
CASH AND CASH EQUIVALENTS	9,571	(100,768)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	49,593	150,361
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 59,164	\$ 49,593
SUPPLEMENTAL DISCLOSURES		
In-Kind Contributions and Contributed Services	\$ -	\$ 682
Cash Paid During the Year for Interest Expense	\$ 26,885	\$ 28,013

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

RAPE CRISIS CENTER OF COLLIN COUNTY d/b/a THE TURNING POINT

**Statement of Functional Expenses
For the Year Ended December 31, 2016**

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Wages and Salaries	\$ 515,004	\$ -	\$ -	\$ 515,004
Conferences and Travel	23,561	-	-	23,561
Depreciation Expense	14,420	-	-	14,420
Dues and Subscriptions	-	2,213	-	2,213
Equipment Maintenance and Repair	4,673	3,011	-	7,685
Fundraising Expenses	-	-	8,336	8,336
In Kind Expense	-	-	-	-
Insurance	4,456	4,216	-	8,672
Interest Expense	26,885	-	-	26,885
Marketing and Development	-	822	-	822
Miscellaneous Expense	-	-	-	-
Occupancy	-	8,841	-	8,841
Office Expense	11,687	1,031	-	12,718
Printing	4,184	-	-	4,184
Professional Fees	-	7,977	-	7,977
Other Program Expenses	7,391	-	-	7,391
Rent	-	-	-	-
Telephone	8,749	2,297	-	11,046
	<u>8,749</u>	<u>2,297</u>	<u>-</u>	<u>11,046</u>
Total Expenses	\$ <u>621,009</u>	\$ <u>30,409</u>	\$ <u>8,336</u>	\$ <u>659,754</u>

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

RAPE CRISIS CENTER OF COLLIN COUNTY d/b/a THE TURNING POINT

**Statement of Functional Expenses
For the Year Ended December 31, 2015**

	Program Services	General & Administrative	Fundraising	Total
Wages and Salaries	\$ 345,702	\$ 23,905	\$ -	\$ 369,607
Conferences and Travel	12,516	39	-	12,555
Depreciation Expense	14,420	-	-	14,420
Dues and Subscriptions	-	1,663	-	1,663
Equipment Maintenance and Repair	587	5,552	-	6,139
Fundraising Expenses	-	-	16,205	16,205
In Kind Expense	-	682	-	682
Insurance	4,011	2,285	-	6,296
Interest Expense	28,013	-	-	28,013
Marketing and Development	-	1,374	-	1,374
Miscellaneous Expense	-	3,090	-	3,090
Occupancy	-	5,395	-	5,395
Office Expense	9,197	557	-	9,754
Printing	4,855	-	-	4,855
Professional Fees	-	7,977	-	7,977
Other Program Expenses*	4,969	-	-	4,969
Rent	-	-	-	-
Telephone	8,396	2,408	-	10,804
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	\$ <u>432,666</u>	\$ <u>54,927</u>	\$ <u>16,205</u>	\$ <u>503,798</u>

* Amounts include In-Kind Contributions

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

**RAPE CRISIS CENTER OF COLLIN COUNTY D/B/A THE TURNING
POINT**

**Notes to the Financial Statements
December 31, 2016 and 2015**

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities, History and Organization:

Rape Crisis Center of Collin County d/b/a The Turning Point (the “Organization”), is a not for profit organization, located in Plano, Texas. The Rape Crisis Center of Collin County was established by a social worker who observed that victims of sexual assault need additional counseling and emotional support beyond the initial crime report. The Organization originated in 1982, in conjunction with the North Texas Medical Center and the McKinney Police Department, to ensure that survivors of sexual assault had a professional support system to help them in their recovery. Since its genesis, the 24-hour Organization has grown to provide a complete range of services for victims of all forms of sexual violence, from a crisis hotline to hospital accompaniment to intensive professional counseling.

In 2002, the Organization began doing business as The Turning Point to emphasize that the services were available to all victims of sexual violence (not just rape) throughout all the North Texas area. The mission of the Turning Point is to provide counseling, education, and advocacy to those impacted by sexual assault.

Significant Accounting Policies:

In fulfilling its responsibility for the preparation of the Organization’s financial statements and disclosures, management selects accounting principles generally accepted in the United States of America and adopts methods for their application. The application of accounting principles requires the estimating, matching and timing of revenue and expense in the determination of support or expenditures. It is also necessary for management to determine, measure and allocate resources and obligations within the financial process according to those principles. Below is a summary of certain significant accounting policies selected by management.

Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation:

The statement of activities is a statement of the various financial activities and changes in net assets during the current reporting period. It does not purport to represent the results of operations nor of net income or loss for the period since the primary objective of the Organization is not to achieve a “profit”, but to support its mission stated above.

**RAPE CRISIS CENTER OF COLLIN COUNTY D/B/A THE TURNING
POINT**

**Notes to the Financial Statements
December 31, 2016 and 2015**

NOTE 1 – (CONTINUED)

Net Asset Accounting:

As a nonprofit organization, Rape Crisis Center of Collin County d/b/a The Turning Point maintains its records on a fund accounting basis in order to ensure observance of the limitations and restrictions placed on the use of its resources. This is the procedure by which net assets for various purposes are classified for accounting and reporting purposes into self-balancing accounts. Those funds are further classified into net asset groupings in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 605-10 and 958-205, as follows:

Unrestricted net assets – Net assets that are not restricted by donor-imposed stipulations. Unrestricted net assets may include certain funds that the Board of Directors has determined are to be designated for a particular purpose.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by the actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor restrictions exist that specify how the assets are to be used. Gifts of long-lived assets with explicit restrictions and gifts of cash that must be used to acquire long-lived assets are reported as temporarily restricted support. The Organization reports expirations of donor restrictions when the donated assets are placed in service, unless donor restrictions indicate otherwise. Income from permanently restricted net assets is recorded as unrestricted unless otherwise restricted by the donor.

Statement of Cash Flows:

The statement of cash flows is presented using the “indirect method”. For purposes of this statement, the Organization considers as cash, all cash on hand, cash in checking accounts, money market funds and other similar instruments with maturities of three months or less.

**RAPE CRISIS CENTER OF COLLIN COUNTY D/B/A THE TURNING
POINT**

**Notes to the Financial Statements
December 31, 2016 and 2015**

NOTE 1 – (CONTINUED)

Cash and Cash Equivalents:

The Organization's financial instruments, none of which is held for trading purposes, consist of cash and cash equivalents. The Organization considers all highly liquid investments that are redeemable in 90 days or less to be cash and cash equivalents.

Receivables:

The Organization has receivables from grants and other sources. An allowance for doubtful accounts is established as is deemed appropriate.

Bad Debt Expense:

The Organization recognizes bad debt expense using the direct write off method. The results of using the direct write off method are not materially different from the results of using the allowance method which is required by accounting principles generally accepted in the United States of America

Property and Equipment:

Property and equipment which are purchased are recorded at historical cost. Donated property and equipment are recorded at their fair value at the date of contribution. Depreciation is recorded using a straight-line approach over 5 to 40 years. The Organization's capitalization policy is to expense property and equipment purchases less than \$1,000. Repairs and maintenance are charged to expense as incurred.

Contributions:

Contributions, including unconditional promises to give, are recorded at their fair value at the date of receipt. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved.

In-Kind Contributions:

The Organization receives donated materials and they are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. The values of these items have been reflected in the financial statements as they do meet the criteria for recognition under ASC 605-10, *Accounting for Contributions Received and Contributions Made*.

**RAPE CRISIS CENTER OF COLLIN COUNTY D/B/A THE TURNING
POINT**

**Notes to the Financial Statements
December 31, 2016 and 2015**

NOTE 1 – (CONTINUED)

Functional Allocation of Expenses:

The costs of providing Rape Crisis Center of Collin County d/b/a The Turning Point's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain expenses have been allocated among the various programs and supporting services benefited.

Income Taxes:

Rape Crisis Center of Collin County d/b/a The Turning Point is exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. However, the Organization is subject to Federal excise tax and unrelated business income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509 (a) of the Internal Revenue Code. There was no unrelated business income or known Federal excise taxes for the years ended December 31, 2016 and 2015, respectively.

Advertising Costs:

Advertising costs are expensed as incurred. The Organization incurred no advertising costs for the years ended December 31, 2016 and 2015.

Compensated Absences:

Employees of the Organization receive paid vacation and personal days off, depending on length of service and other factors. It is impractical to estimate the amount of compensation for future absences and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the cost of compensated absences when actually paid to employees.

Use of Estimates and General Assumptions:

The process of preparing financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates and assumptions primarily relate to allocation of functional expenses. Accordingly, actual results could differ from those estimates.

**RAPE CRISIS CENTER OF COLLIN COUNTY D/B/A THE TURNING
POINT**

**Notes to the Financial Statements
December 31, 2016 and 2015**

NOTE 2 – GRANTS RECEIVABLE

Grants receivable are due from various government agencies are deemed to be fully collectible by management, and consist of the following at December 31, 2016 and 2015:

	2016	2015
Local	\$ 10,680	\$ 7,781
State	9,787	17,304
Federal	46,498	21,256
Total Grants Receivable	\$ 66,965	\$ 46,071

NOTE 3 – PROPERTY AND EQUIPMENT

Property and Equipment consists of the following at December 31, 2016 and 2015:

	2016	2015
Building	576,794	576,794
Land	101,787	101,787
Office Furniture and Equipment	26,941	26,941
Less: Accumulated Depreciation	(70,201)	(55,781)
Total Property and Equipment	\$ 635,321	\$ 649,741

Depreciation Expense was \$14,420 and \$14,420 for the years ended December 31, 2016 and 2015, respectively.

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

There were no temporarily restricted net assets as of December 31, 2016 and 2015.

NOTE 5 – PERMANENTLY RESTRICTED NET ASSETS

There were no permanently restricted net assets as of December 31, 2016 and 2015.

**RAPE CRISIS CENTER OF COLLIN COUNTY D/B/A THE TURNING
POINT**

**Notes to the Financial Statements
December 31, 2016 and 2015**

NOTE 6 – NET ASSETS RELEASED FROM RESTRICTIONS

No net assets were released from restrictions as of December 31, 2016 and 2015, respectively.

NOTE 7 – IN-KIND CONTRIBUTIONS

The Organization occasionally receives in-kind contributions for various services and assets during the year. The estimated values of such in-kind transactions are reflected in the statement of activities at their fair value and are recorded at the time of receipt. There were no in-kind contributions for the years ended December 31, 2016 and 2015.

NOTE 8 – NOTE PAYABLE

The note payable consists of one note to a bank in the original amount of \$578,000, dated December 3, 2013 with monthly principal and interest payments of \$3,837.72 for 60 months at an interest rate of 5.00% and 180 months with interest calculated on the unpaid principal balance using an interest rate based on the 5-Year FHLBD Rate, plus a margin of 3.000 percentage points. The maturity date is December 3, 2033 and the note is collateralized by real property located in Collin County, Texas.

Interest expense was \$26,885 and \$28,013 for the years ended December 31, 2016 and 2015, respectively.

Maturities of the mortgage are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	19,954
2018	20,989
2019	22,078
2020	23,153
2021 and after	437,742
	<u>\$ 523,916</u>

**RAPE CRISIS CENTER OF COLLIN COUNTY D/B/A THE TURNING
POINT**

**Notes to the Financial Statements
December 31, 2016 and 2015**

NOTE 9 – CONCENTRATION OF CREDIT RISK

Approximately 69% of support and revenue is received from and administered by Federal and State grants. Continued funding from these sources at current levels is dependent upon various factors. Such factors include economic conditions, compliance with grant provisions, continued Government approval, new legislation, donor satisfaction, and public perception of mission effectiveness and relative importance. Collection of receivables and ongoing revenue generation is dependent, in part, upon the economic conditions of this area.

NOTE 10 – SUBSEQUENT EVENTS

An evaluation of subsequent events was performed in accordance with ASC 855-10, *Subsequent Events*, through May 11, 2017, which is the date of the report. No Material subsequent events were noted.