
SPRING BRANCH HUMAN RESOURCES PARTNERSHIP INC.
dba SPRING BRANCH FAMILY DEVELOPMENT CENTER

REPORT ON FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014

BREEDLOVE & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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BREEDLOVE & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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RICHARD W. BREEDLOVE, CPA
President

INDEPENDENT AUDITORS' REPORT

December 3, 2015

Board of Directors
Spring Branch Human Resources Partnership Inc.
dba Spring Branch Family Development Center
Houston, Texas

We have audited the accompanying financial statements of Spring Branch Human Resources Partnership Inc. (a non-profit organization) which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses and cash flows for the year 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.

Auditors' 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 of 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 Spring Branch Human Resources Partnership Inc. as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Breedlove & Co., P.C.

SPRING BRANCH HUMAN RESOURCES PARTNERSHIP INC.
dba SPRING BRANCH FAMILY DEVELOPMENT CENTER

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

ASSETS

Current Assets	
Cash and cash equivalents	\$ 193 864
Cash and cash equivalents- temporarily restricted	22 175
Accounts receivable	6 700
Prepaid insurance	<u>1 527</u>
Total Current Assets	224 266
Fixed Assets - Net of accumulated depreciation of \$68,512	<u>6 023</u>
Total Assets	<u>\$ 230 289</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 15 585
Accrued compensated absences	<u>11 349</u>
Total Current Liabilities	<u>26 934</u>
Net Assets	
Unrestricted	178 080
Temporarily restricted	22 175
Permanently restricted	<u>3 100</u>
Total Net Assets	<u>203 355</u>
Total Liabilities and Net Assets	<u>\$ 230 289</u>

See Independent Auditors' Report and Accompanying Notes to Financial Statements

SPRING BRANCH HUMAN RESOURCES PARTNERSHIP INC.
 dba SPRING BRANCH FAMILY DEVELOPMENT CENTER

STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Contributions	\$ 140 014	\$ 14 950	\$ -	\$ 154 964
Rental income	143 173	-	-	143 173
Management fee income	33 600	-	-	33 600
Interest and dividends	732	-	-	732
Miscellaneous income	100	-	-	100
Total Revenues	317 619	14 950	-	332 569
Expenses				
Program services	284 334	31 753	3 100	319 187
Supporting services	6 640	-	-	6 640
Total Expenses	290 974	31 753	3 100	325 827
Change in Net Assets	26 645	(16 803)	(3 100)	6 742
Net Assets as of Beginning of Year	151 435	38 978	6 200	196 613
Net Assets as of End of Year	\$ 178 080	\$ 22 175	\$ 3 100	\$ 203 355

See Independent Auditors' Report and Accompanying Notes to Financial Statements

SPRING BRANCH HUMAN RESOURCES PARTNERSHIP INC.
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STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	PROGRAM SERVICES	SUPPORTING SERVICES	Total Expenses
	Social and Health Services	General and Administrative	
Salaries and benefits	\$ 140 230	\$ -	\$ 140 230
Maintenance	122 616	-	122 616
Utilities	4 113	-	4 113
Professional fees	-	6 640	6 640
Community event	3 195	-	3 195
Promotional event	31 753	-	31 753
Other	12 366	-	12 366
Total Expenses before depreciation	314 273	6 640	320 913
Depreciation	4 914	-	4 914
Total Expenses	<u>\$ 319 187</u>	<u>\$ 6 640</u>	<u>\$ 325 827</u>

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SPRING BRANCH HUMAN RESOURCES PARTNERSHIP INC.
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

Cash Flows Provided for Operating Activities:	
Change in net assets	\$ 6 742
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	4 914
Increase in accounts receivable	(344)
Increase in prepaid insurance	(109)
Increase in accounts payable	11 303
Increase in accrued compensated absences	115
Net cash provided by operating activities	<u>22 621</u>
Net Increase in Cash and Cash Equivalents	22 621
Cash and Cash Equivalents - December 31, 2013	<u>193 418</u>
Cash and Cash Equivalents - December 31, 2014	<u>\$ 216 039</u>
Supplemental Data:	
Interest paid	<u>\$ -</u>

See Independent Auditors' Report and Accompanying Notes to Financial Statements

SPRING BRANCH HUMAN RESOURCES PARTNERSHIP INC.
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Spring Branch Human Resources Partnership Inc. (the "Partnership") is a non-profit organization which was incorporated on June 17, 1997 for the purpose of facilitating programs to promote the well-being of the Spring Branch community. The Partnership has certain overall supervisory responsibilities for the facility known as the Spring Branch Family Development Center (which is owned by a separate 501(c)(3) corporation), which brings together in one location educational programs of the Spring Branch Independent School District, comprehensive services offered by the Boys and Girls Club, and health and social services.

The Partnership operates and manages the Health and Social Services building in which the following services are provided: health services, WIC programs, English as a Second Language (ESL) classes, family support programs, speech therapy, and a computer lab.

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 (U.S. GAAP).

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase. As of December 31, 2014, \$22,175 of the cash balance was temporarily restricted.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary 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.

During 2014, there was a \$14,950 increase in temporarily restricted funds, and \$31,753 in expenses incurred for its specific purpose. At December 31, 2014, there were temporarily restricted net assets of \$22,175 for a program which is for the education of parents and other caregivers of children in the Spring Branch Family Development Center community.

Permanently restricted net assets consist of computers that were donated to the Partnership with a permanent restriction to use the computers as a community access point. The remaining life at the time of donation was two years. Depreciation expense for the permanently restricted computers was \$3,100 for the year ended December 31, 2014.

Fixed Assets

Fixed assets are stated at cost and are depreciated on a straight-line basis over their estimated useful lives of a five to seven year period for furniture and fixtures and a five year period for vehicles. Donated fixed assets are recorded at fair value at the time received and depreciated over their remaining useful lives.

SPRING BRANCH HUMAN RESOURCES PARTNERSHIP INC.
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement

The fair value of donated assets is the purchase price less accumulated depreciation at the time of donation.

Functional Expenses

Expenses are charged directly to program or management in general categories based on specific identification.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income Taxes

The Partnership 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.

Receivables and Allowance for Uncollectible Accounts

Receivables are recorded when revenue is earned but not yet received. Management considers accounts receivable to be fully collectible at year-end. Accordingly, no allowance for doubtful accounts is required.

NOTE (2) FIXED ASSETS

Fixed assets consisted of the following as of December 31, 2014:

	<u>Cost</u>
Furniture and fixtures	\$ 74 535
Less accumulated depreciation	<u>(68 512)</u>
Total	<u>\$ 6 023</u>

Depreciation expense for the year ended December 31, 2014 was \$4,914.

SPRING BRANCH HUMAN RESOURCES PARTNERSHIP INC.
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014
(Continued)

NOTE (3) CONCENTRATIONS OF CREDIT RISK

The Partnership maintains cash balances at one financial institution. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. In the normal course of business, the organization may have deposits that exceed the insured balance. As of December 31, 2014, all deposits were adequately insured.

NOTE (4) OPERATING LEASE

The Partnership facilitates its programs from facilities that it leases under a ten-year non-cancelable operating lease that expired May 31, 2011. The Partnership exercised its renewal option for an additional ten-year period extending the lease to May 31, 2021. The Partnership does not pay a fixed rental sum. Rental expense is based on direct expenses (i.e. utilities, taxes, insurance and improvements) incurred by the Partnership for use of the facilities and is negotiated yearly. Rental expense for 2014 was \$84,491 and is included under maintenance on the statement of functional expenses. A similar amount is expected to be paid each year for the next five years.

The leased space is subleased to five unaffiliated organizations that facilitate programs to promote the well-being of the Spring Branch community. The lease terms range from September 2015 to August 2017. Receipts of rental income under the subleases are as follows for the next 3 years:

<u>Year Ending December 31,</u>	<u>Amount</u>
2015	\$ 175 955
2016	135 398
2017	<u>71 328</u>
	<u>\$ 382 681</u>

NOTE (5) SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 3, 2015 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.