

Crime Stoppers of Houston, Inc.

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2015 and 2014

Crime Stoppers of Houston, Inc.

Table of Contents

	Page
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position as of December 31, 2015 and 2014	2
Statement of Activities for the year ended December 31, 2015	3
Statement of Activities for the year ended December 31, 2014	4
Statement of Functional Expenses for the year ended December 31, 2015	5
Statement of Functional Expenses for the year ended December 31, 2014	6
Statements of Cash Flows for the years ended December 31, 2015 and 2014	7
Notes to Financial Statements for the years ended December 31, 2015 and 2014	8

Independent Auditors' Report

To the Board of Directors of
Crime Stoppers of Houston, Inc.:

We have audited the accompanying financial statements of Crime Stoppers of Houston, Inc., which comprise the statements of financial position as of December 31, 2015 and 2014 and the related statements of activities, of functional expenses, and of cash flows for the years then ended, and the related notes to the financial statements.

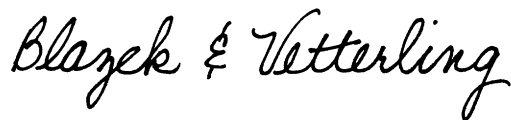
Management's Responsibility for the Financial Statements – Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance 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.

Auditors' Responsibility – 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 our audits 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 auditors' 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 Crime Stoppers of Houston, Inc. as of December 31, 2015 and 2014 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.



March 8, 2016

Crime Stoppers of Houston, Inc.

Statements of Financial Position as of December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash (Note 2)	\$ 1,606,900	\$ 1,126,434
Accrued interest and other assets	45,052	21,102
Operating pledges receivable, net (Note 3)	58,615	5,500
Investments (Notes 2, 4 and 5)	1,920,140	1,962,764
Cash restricted to capital projects	6,696,799	383,073
Pledges receivable restricted to capital projects (Note 3)	1,905,902	800,917
Property and equipment, net (Note 6)	<u>2,631,224</u>	<u>2,856,767</u>
TOTAL ASSETS	<u>\$14,864,632</u>	<u>\$ 7,156,557</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 16,359	\$ 16,195
Construction payable	40,240	
Supplemental rewards escrow	815,291	631,071
Court rewards escrow	40,700	50,800
Note payable (Note 7)	<u>5,000,000</u>	
Total liabilities	<u>5,912,590</u>	<u>698,066</u>
Net assets:		
Unrestricted	2,885,503	3,009,607
Temporarily restricted (Note 8)	<u>6,066,539</u>	<u>3,448,884</u>
Total net assets	<u>8,952,042</u>	<u>6,458,491</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$14,864,632</u>	<u>\$ 7,156,557</u>

See accompanying notes to financial statements.

Crime Stoppers of Houston, Inc.

Statement of Activities for year ended December 31, 2015

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
REVENUE:			
Contributions:			
In-kind donations (<i>Note 9</i>)	\$ 2,442,096		\$ 2,442,096
Court and supplemental rewards		\$ 358,867	358,867
Other contributions	183,034	3,191,844	3,374,878
Memberships	43,271		43,271
Court administrative funds	105,696		105,696
Special events	661,787		661,787
Direct donor benefit costs	(184,498)		(184,498)
Government grants	9,500		9,500
Investment return (<i>Note 4</i>)	13,270	13,026	26,296
Loss on disposal of property and equipment	(356,889)		(356,889)
Other income	<u>5,819</u>	<u> </u>	<u>5,819</u>
Total revenue	2,923,086	3,563,737	6,486,823
Net assets released from restrictions:			
Satisfaction of program restrictions	550,600	(550,600)	
Capital campaign expenses	<u>395,482</u>	<u>(395,482)</u>	<u> </u>
Total	<u>3,869,168</u>	<u>2,617,655</u>	<u>6,486,823</u>
EXPENSES:			
Program services	3,207,358		3,207,358
Management and general	253,597		253,597
Fundraising	<u>532,317</u>		<u>532,317</u>
Total expenses	<u>3,993,272</u>		<u>3,993,272</u>
CHANGES IN NET ASSETS	(124,104)	2,617,655	2,493,551
Net assets, beginning of year	<u>3,009,607</u>	<u>3,448,884</u>	<u>6,458,491</u>
Net assets, end of year	<u>\$ 2,885,503</u>	<u>\$ 6,066,539</u>	<u>\$ 8,952,042</u>

See accompanying notes to financial statements.

Crime Stoppers of Houston, Inc.

Statement of Activities for year ended December 31, 2014

	<u>UNRESTRICTED</u>	TEMPORARILY <u>RESTRICTED</u>	<u>TOTAL</u>
REVENUE:			
Contributions:			
In-kind donations (<i>Note 9</i>)	\$ 1,632,294		\$ 1,632,294
Court and supplemental rewards		\$ 480,759	480,759
Other contributions	238,880	1,652,416	1,891,296
Memberships	55,409		55,409
Court administrative funds	105,882		105,882
Special events	503,290		503,290
Direct donor benefit costs	(115,906)		(115,906)
Government grants	7,000		7,000
Investment return (<i>Note 4</i>)	66,603	27,003	93,606
Other income	<u>3,019</u>		<u>3,019</u>
Total revenue	2,496,471	2,160,178	4,656,649
Net assets released from restrictions:			
Satisfaction of program restrictions	546,293	(546,293)	
Capital expenditures	<u>165,759</u>	<u>(165,759)</u>	
Total	<u>3,208,523</u>	<u>1,448,126</u>	<u>4,656,649</u>
EXPENSES:			
Program services	2,372,466		2,372,466
Management and general	229,257		229,257
Fundraising	<u>435,937</u>		<u>435,937</u>
Total expenses	<u>3,037,660</u>		<u>3,037,660</u>
CHANGES IN NET ASSETS	170,863	1,448,126	1,618,989
Net assets, beginning of year	<u>2,838,744</u>	<u>2,000,758</u>	<u>4,839,502</u>
Net assets, end of year	<u>\$ 3,009,607</u>	<u>\$ 3,448,884</u>	<u>\$ 6,458,491</u>

See accompanying notes to financial statements.

Crime Stoppers of Houston, Inc.

Statement of Functional Expenses for the year ended December 31, 2015

<u>EXPENSES</u>	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries	\$ 223,588	\$ 91,184	\$ 230,706	\$ 545,478
Payroll taxes and benefits	39,385	16,062	40,639	96,086
TIPS hotline personnel	1,943,530			1,943,530
Advertising	426,126	8,049	53,623	487,798
Rewards	301,908			301,908
Professional fees and contract labor	23,613	64,483	120,000	208,096
Office expenses and supplies	33,015	31,314	70,304	134,633
Contributed facilities usage	84,945			84,945
Occupancy	51,205	11,802	8,780	71,787
Telecommunications	55,299	5,291		60,590
Insurance	6,331	6,331	1,406	14,068
Bank and credit card fees		12,756		12,756
Depreciation and amortization	7,744	1,785	1,328	10,857
Postage and delivery	1,805	1,805	5,413	9,023
Travel	6,185	1,084		7,269
Dues and subscriptions	2,597	1,651		4,248
Other	<u>82</u>	<u></u>	<u>118</u>	<u>200</u>
Total	<u>\$ 3,207,358</u>	<u>\$ 253,597</u>	<u>\$ 532,317</u>	<u>3,993,272</u>
Direct donor benefit costs				<u>184,498</u>
Total expenses				<u>\$ 4,177,770</u>

See accompanying notes to financial statements.

Crime Stoppers of Houston, Inc.

Statement of Functional Expenses for the year ended December 31, 2014

<u>EXPENSES</u>	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries	\$ 221,511	\$ 48,950	\$ 177,303	\$ 447,764
Payroll taxes and benefits	40,200	8,883	32,177	81,260
TIPS hotline personnel	1,404,746			1,404,746
Advertising	201,345	15,580	25,250	242,175
Rewards	308,533			308,533
Professional fees and contract labor	23,558	86,601	134,169	244,328
Office expenses and supplies	25,107	27,906	52,248	105,261
Contributed facilities usage	35,480			35,480
Occupancy	43,756	10,085	7,502	61,343
Telecommunications	39,479	5,162		44,641
Insurance	6,187	6,187	1,375	13,749
Bank and credit card fees		13,089		13,089
Depreciation and amortization	16,395	3,779	2,811	22,985
Postage and delivery	955	955	2,864	4,774
Travel	3,051	953		4,004
Dues and subscriptions	870	880		1,750
Other	<u>1,293</u>	<u>247</u>	<u>238</u>	<u>1,778</u>
Total	<u>\$ 2,372,466</u>	<u>\$ 229,257</u>	<u>\$ 435,937</u>	3,037,660
Direct donor benefit costs				<u>115,906</u>
Total expenses				<u>\$ 3,153,566</u>

See accompanying notes to financial statements.

Crime Stoppers of Houston, Inc.

Statements of Cash Flows for the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 2,493,551	\$ 1,618,989
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Contributions restricted to capital projects	(2,939,094)	(1,457,816)
Loss on disposal of property and equipment	356,889	
Net realized and unrealized (gain) loss on investments	34,002	(32,154)
Depreciation	10,857	22,985
Changes in operating assets and liabilities:		
Accrued interest and other assets	(23,950)	(3,599)
Operating pledges receivable	(53,115)	(5,300)
Accounts payable and accrued expenses	164	(52,320)
Supplemental rewards escrow	184,220	(70,809)
Court rewards escrow	<u>(10,100)</u>	<u>(5,125)</u>
Net cash provided by operating activities	<u>53,424</u>	<u>14,851</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net change in money market mutual funds held as investments	(26,579)	(4,471)
Purchases of investments	(1,289,021)	(879,167)
Proceeds from sales of investments	1,324,222	942,764
Change in cash restricted to capital projects	(6,313,726)	(104,582)
Purchase of property and equipment	<u>(101,963)</u>	<u>(359,731)</u>
Net cash used by investing activities	<u>(6,407,067)</u>	<u>(405,187)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted to capital projects	1,834,109	677,716
Proceeds from note payable	<u>5,000,000</u>	<u> </u>
Net cash provided by financing activities	<u>6,834,109</u>	<u>677,716</u>
NET CHANGE IN CASH	480,466	287,380
Cash, beginning of year	<u>1,126,434</u>	<u>839,054</u>
Cash, end of year	<u>\$ 1,606,900</u>	<u>\$ 1,126,434</u>

See accompanying notes to financial statements.

Crime Stoppers of Houston, Inc.

Notes to Financial Statements for the years ended December 31, 2015 and 2014

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Crime Stoppers of Houston, Inc. (Crime Stoppers) is a nonprofit organization incorporated in Texas in October 1980. The purpose of Crime Stoppers is to assist Houston area law enforcement agencies in facilitating the arrest and filing of criminal charges by making rewards available to persons who furnish information that leads to the arrest and filing of charges. Crime Stoppers receives a substantial portion of its operating funds from business and individual donations. Any person providing information leading to the arrest and filing of charges is given a reward and remains anonymous. The Reward Assessment Committee determines the amount of the reward and the Board of Directors authorizes payment.

Federal income tax status – Crime Stoppers is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi). Crime Stoppers files annual federal information returns that are subject to routine examination; however, there are no examinations for any tax periods currently in progress. Crime Stoppers believes it is no longer subject to examinations of returns for tax years ended before December 31, 2012.

Cash – Bank deposits exceed the federally insured limit per depositor per institution.

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are discounted to estimate the present value of future cash flows. An allowance for uncollectible pledges is provided when it is believed that pledges may not be collected in full. It is possible that management's estimate regarding the collectability of the balances will change in the near term resulting in a change in the carrying value of pledges receivable.

Investments are recorded at fair value. Investment return is reported in the statement of activities as an increase in unrestricted net assets unless the use of the income is limited by donor-imposed restrictions. Investment return whose use is restricted by the donor is reported as an increase in temporarily restricted net assets until expended in accordance with donor-imposed restrictions.

Property and equipment is recorded at cost if purchased or at fair value at the date of gift if donated. Crime Stoppers' policy is to capitalize property and equipment purchases over \$500. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years.

Net asset classification – Contributions, investment return, and the related net assets are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or board designation.
- *Temporarily restricted net assets* include contributions and investment return restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted net assets are released to unrestricted net assets.

Court rewards are recorded as revenue when the payments are received from the Harris County probation department. Unclaimed court rewards outstanding for at least 45 days from the date of the approval of payment by the Reward Assessment Committee are held in a restricted cash account and reported as court rewards escrow liability by Crime Stoppers for one year from the date of the approval of payment. Unclaimed court rewards outstanding for more than one year are held by Crime Stoppers and used for payment of cash rewards for other cases.

Supplemental rewards are recorded as revenue and expense when the reward is paid to a person who provides information leading to the arrest and charging of the suspect responsible for the crimes. Amounts collected in advance for supplemental rewards that have not been paid are reported as supplemental rewards escrow.

Other contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as restricted support. Conditional contributions are recognized in the same manner when the conditions are substantially met. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are classified as restricted revenue. Absent explicit donor stipulations about how long those long-lived assets must be maintained, Crime Stoppers reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributed services, materials, and use of facilities are recognized at fair value when an unconditional commitment is received from the donor. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Advertising expense – Advertising costs are expensed as incurred.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – RESTRICTED CASH AND INVESTMENTS

In the State of Texas, a court is allowed to require a probationer to make a one-time contribution of up to \$50 to a local Crime Stoppers program. In Harris County, the probation department collects this money and forwards it to Crime Stoppers. Eighty percent is restricted by statute to be used only for paying cash rewards to qualified informants. Any interest earned thereon also is restricted for this purpose.

Crime Stoppers is required to maintain a separate reward account for money received from the Harris County probation department. At December 31, 2015 and 2014, \$637,150 and \$574,042 included in cash and \$1,132,298 and \$1,118,658 included in investments, respectively, are restricted by statute to pay rewards to qualified informants.

Crime Stoppers also holds supplemental funds received for payment of rewards. The Board of Directors desires to maintain supplemental rewards in separate bank accounts. At December 31, 2015 and 2014, \$445,601 and \$236,318 included in cash, respectively, are segregated by Crime Stoppers for this purpose. The remaining supplemental rewards funds are held in investments.

NOTE 3 – PLEDGES RECEIVABLE

In 2013, Crime Stoppers launched a \$10 million capital campaign, *We Are All Crime Stoppers Capital Campaign*. The goal of the campaign is to provide funds to build the first-ever Crime Stoppers' headquarters located at 3001 Main Street. Through December 31, 2015, contributions to the campaign totaled approximately \$4.3 million.

Pledges receivable are as follows:

	<u>2015</u>	<u>2014</u>
Pledges receivable	\$ 1,984,957	\$ 817,101
Discount to net present value at 1.65% to 1.76%	<u>(20,440)</u>	<u>(10,684)</u>
Pledges receivable, net	<u>\$ 1,964,517</u>	<u>\$ 806,417</u>

Pledges receivable at December 31, 2015 are expected to be collected as follows:

Within one year	\$ 771,195
In one to five years	<u>1,213,762</u>
Total pledges receivable	<u>\$ 1,984,957</u>

At December 31, 2015, approximately 58% of pledges are due from three donors. At December 31, 2014, approximately 63% of pledges are due from two donors.

NOTE 4 – INVESTMENTS

Investments consist of the following:

	<u>2015</u>	<u>2014</u>
Government agency securities	\$ 1,099,013	\$ 1,096,819
Equity securities	445,685	498,239
Corporate bonds	318,605	337,448
Money market mutual funds	<u>56,837</u>	<u>30,258</u>
Total investments	<u>\$ 1,920,140</u>	<u>\$ 1,962,764</u>

Investments are exposed to various risks such as interest rate, market, and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

Investment return includes earnings on cash balances and consists of the following:

	<u>2015</u>	<u>2014</u>
Net realized and unrealized gain (loss) on investments	\$ (34,002)	\$ 32,154
Interest and dividends	<u>60,298</u>	<u>61,452</u>
Total investment return	<u>\$ 26,296</u>	<u>\$ 93,606</u>

NOTE 5 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity’s assumptions about the inputs market participants would use in pricing the asset or liability.

Assets measured at fair value at December 31, 2015 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Government agency securities		\$ 1,099,013		\$ 1,099,013
Equity securities:				
Consumer discretion	\$ 91,002			91,002
Information technology	82,843			82,843
Consumer staples	82,145			82,145
Healthcare	70,099			70,099
Industrials	44,024			44,024
Financial services	42,945			42,945
Materials	14,676			14,676
Telecommunication	9,475			9,475
Energy	8,476			8,476
Corporate bonds		318,605		318,605
Money market mutual funds	<u>56,837</u>			<u>56,837</u>
Total assets measured at fair value	<u>\$ 502,522</u>	<u>\$ 1,417,618</u>	<u>\$ 0</u>	<u>\$ 1,920,140</u>

Assets measured at fair value at December 31, 2014 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Government agency securities		\$ 1,096,819		\$ 1,096,819
Equity securities:				
Consumer discretion	\$ 107,686			107,686
Information technology	99,388			99,388
Consumer staples	78,829			78,829
Healthcare	63,761			63,761
Industrials	36,455			36,455
Financial services	68,106			68,106
Materials	15,304			15,304
Telecommunication	9,590			9,590
Energy	19,120			19,120
Corporate bonds		337,448		337,448
Money market mutual funds	<u>30,258</u>			<u>30,258</u>
Total assets measured at fair value	<u>\$ 528,497</u>	<u>\$ 1,434,267</u>	<u>\$ 0</u>	<u>\$ 1,962,764</u>

Valuation methods used for assets measured at fair value are as follows:

- *Government agency securities* and *corporate bonds* are valued using prices obtained from independent quotation bureaus that use computerized valuation formulas which may include market-corroborated inputs for credit risk factors, interest rate and yield curves and broker quotes, to calculate fair values.
- *Equity securities* are valued at the closing price reported on the active market on which the individual securities are traded.
- *Mutual funds* are valued at the reported net asset value.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Crime Stoppers believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2015</u>	<u>2014</u>
Land	\$ 1,905,620	\$ 1,905,620
Equipment	221,764	221,764
Software	6,495	6,495
Building and improvements		465,429
Furniture and fixtures		54,832
Construction in progress	<u>706,886</u>	<u>566,434</u>
Total property and equipment, at cost	2,840,765	3,220,574
Accumulated depreciation and amortization	<u>(209,541)</u>	<u>(363,807)</u>
Property and equipment, net	<u>\$ 2,631,224</u>	<u>\$ 2,856,767</u>

NOTE 7 – NOTE PAYABLE

In December 2015, Crime Stoppers entered into a \$5,000,000 promissory note with a foundation. Proceeds from the note are to be used for construction of a new building. The note matures in July 2032. The note bears interest at 3% beginning in July 2017. In July 2022, interest will be adjusted to prime rate less 0.25%, set every five years. The note is collateralized by real property and all pledges receivable restricted for construction of the new building.

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Capital projects	\$ 4,099,796	\$ 1,556,184
Rewards	<u>1,966,743</u>	<u>1,892,700</u>
Total temporarily restricted net assets	<u>\$ 6,066,539</u>	<u>\$ 3,448,884</u>

NOTE 9 – IN-KIND DONATIONS

In-kind donations recognized during the years ended December 31, 2015 and 2014 are classified in the statement of functional expenses as follows:

	<u>2015</u>	<u>2014</u>
TIPS hotline personnel:		
Houston Police Department	\$ 1,427,374	\$ 895,511
Harris County Sheriff's Office	394,588	302,788
Pasadena Police Department	121,568	116,268
Metro Police Department	<u> </u>	<u>90,179</u>
Total TIPS hotline personnel	<u>1,943,530</u>	<u>1,404,746</u>
Advertising:		
Television and broadcasting – Telemundo	316,000	
Billboards – Clear Channel Outdoor	95,800	171,937
Other	<u> </u>	<u>10,300</u>
Total advertising	<u>411,800</u>	<u>182,237</u>
Facilities usage – CenterPoint Energy	84,945	34,580
Other	<u>1,821</u>	<u>10,731</u>
Total in-kind donations	<u>\$ 2,442,096</u>	<u>\$ 1,632,294</u>

NOTE 10 – LEASE COMMITMENTS

Crime Stoppers leases certain office space and office furniture used in its operations. Operating lease expense for the years ended December 31, 2015 and 2014 were approximately \$19,000 and \$9,000, respectively.

As of December 31, 2015, the future minimum annual lease payments under these noncancellable operating leases are as follows:

2016	\$ 58,649
2017	27,137
2018	9,000
2019	9,000
2020	9,000
Thereafter	<u>321,750</u>
Total	<u>\$ 434,536</u>

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 8, 2016, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.