

**Crime Stoppers of Houston, Inc.**

Financial Statements  
and Independent Auditors' Report  
for the years ended December 31, 2024 and 2023

# Crime Stoppers of Houston, Inc.

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## **Independent Auditors' Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Crime Stoppers of Houston, Inc., which comprise the statements of financial position as of December 31, 2024 and 2023, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Crime Stoppers of Houston, Inc. as of December 31, 2024 and 2023, 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.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Crime Stoppers of Houston, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Crime Stoppers of Houston, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

#### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will

always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Crime Stoppers of Houston, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Crime Stoppers of Houston, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Blazek & Vetterling*

March 18, 2025

## Crime Stoppers of Houston, Inc.

Statements of Financial Position as of December 31, 2024 and 2023

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	<u>2024</u>	<u>2023</u>
ASSETS		
Cash (Note 3)	\$ 4,830,393	\$ 4,397,922
Interest receivable and prepaid expenses	63,176	6,274
Contributions receivable, net (Note 4)	531,013	351,798
Investments (Notes 3 and 5)	1,820,459	1,901,354
Operating right-of-use asset, net (Note 6)	174,847	178,107
Cash restricted for capital improvements	134,734	
Property and equipment, net (Note 7)	<u>7,731,871</u>	<u>7,984,888</u>
 TOTAL ASSETS	 <u>\$ 15,286,493</u>	 <u>\$ 14,820,343</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 29,776	\$ 59,130
Court rewards escrow	23,500	21,400
Supplemental rewards escrow	836,519	807,579
Refundable advances – special events		20,400
Operating lease liability (Note 6)	<u>174,847</u>	<u>178,107</u>
Total liabilities	<u>1,064,642</u>	<u>1,086,616</u>
Commitments and contingencies (Note 10)		
Net assets:		
Without donor restrictions	12,174,765	12,668,032
With donor restrictions (Note 8)	<u>2,047,086</u>	<u>1,065,695</u>
Total net assets	<u>14,221,851</u>	<u>13,733,727</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 15,286,493</u>	 <u>\$ 14,820,343</u>

*See accompanying notes to financial statements.*

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## Crime Stoppers of Houston, Inc.

Statement of Activities for year ended December 31, 2024

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions:			
Nonfinancial assets <i>(Note 9)</i>	\$ 1,877,036		\$ 1,877,036
Government grants <i>(Note 10)</i>	95,000	\$ 1,104,945	1,199,945
Court rewards		38,100	38,100
Court administrative funds	9,525		9,525
Other	395,157	1,443,811	1,838,968
Special events	1,175,815		1,175,815
Direct donor benefit costs	(204,822)		(204,822)
Award reversion	78,300		78,300
Net investment return	<u>114,021</u>	<u>26,673</u>	<u>140,694</u>
Total revenue	3,540,032	2,613,529	6,153,561
Net assets released from restrictions:			
Satisfaction of program restrictions	1,616,872	(1,616,872)	
Capital expenditures	<u>15,266</u>	<u>(15,266)</u>	
Total	<u>5,172,170</u>	<u>981,391</u>	<u>6,153,561</u>
EXPENSES:			
Program services	4,934,490		4,934,490
Management and general	306,134		306,134
Fundraising	<u>424,813</u>		<u>424,813</u>
Total expenses	<u>5,665,437</u>		<u>5,665,437</u>
CHANGES IN NET ASSETS	(493,267)	981,391	488,124
Net assets, beginning of year	<u>12,668,032</u>	<u>1,065,695</u>	<u>13,733,727</u>
Net assets, end of year	<u>\$ 12,174,765</u>	<u>\$ 2,047,086</u>	<u>\$ 14,221,851</u>

*See accompanying notes to financial statements.*

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## Crime Stoppers of Houston, Inc.

Statement of Activities for year ended December 31, 2023

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions:			
Nonfinancial assets <i>(Note 9)</i>	\$ 1,893,638		\$ 1,893,638
Government grants <i>(Note 10)</i>		\$ 1,099,443	1,099,443
Court rewards		45,402	45,402
Court administrative funds	11,351		11,351
Other	412,802	263,100	675,902
Special events	1,290,322		1,290,322
Direct donor benefit costs	(203,082)		(203,082)
Award reversion	53,200		53,200
Net investment return	<u>101,226</u>	<u>40,718</u>	<u>141,944</u>
Total revenue	3,559,457	1,448,663	5,008,120
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>1,618,052</u>	<u>(1,618,052)</u>	
Total	<u>5,177,509</u>	<u>(169,389)</u>	<u>5,008,120</u>
EXPENSES:			
Program services	4,551,903		4,551,903
Management and general	227,627		227,627
Fundraising	<u>374,385</u>		<u>374,385</u>
Total expenses	<u>5,153,915</u>		<u>5,153,915</u>
CHANGES IN NET ASSETS	23,594	(169,389)	(145,795)
Net assets, beginning of year	<u>12,644,438</u>	<u>1,235,084</u>	<u>13,879,522</u>
Net assets, end of year	<u>\$ 12,668,032</u>	<u>\$ 1,065,695</u>	<u>\$ 13,733,727</u>

*See accompanying notes to financial statements.*

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## Crime Stoppers of Houston, Inc.

### Statements of Functional Expenses for the years ended December 31, 2024 and 2023

<u>EXPENSES</u>	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>2024 TOTAL</u>
TIPS hotline personnel	\$ 1,859,088			\$ 1,859,088
Salaries	1,478,253	\$ 135,712	\$ 243,119	1,857,084
Office supplies	320,278	39,607	44,655	404,540
Payroll taxes and benefits	251,554	23,094	41,372	316,020
Depreciation	210,171	19,295	34,566	264,032
Court and other rewards	218,850			218,850
Advertising	149,588	7,188	30,647	187,423
Professional fees and contract labor	129,170	42,184		171,354
Occupancy	135,069	12,400	22,214	169,683
Travel	83,323	40		83,363
Telecommunications	52,995	4,665		57,660
Insurance	39,100	3,590	6,429	49,119
Bank and credit card fees		17,365		17,365
Other	7,051	994	1,811	9,856
Total expenses	<u>\$ 4,934,490</u>	<u>\$ 306,134</u>	<u>\$ 424,813</u>	5,665,437
Direct donor benefit costs				<u>204,822</u>
Total				<u>\$ 5,870,259</u>

<u>EXPENSES</u>	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>2023 TOTAL</u>
TIPS hotline personnel	\$ 1,871,428			\$ 1,871,428
Salaries	1,290,545	\$ 95,702	\$ 220,835	1,607,082
Office supplies	253,765	34,698	32,788	321,251
Payroll taxes and benefits	224,131	16,621	38,353	279,105
Depreciation	212,190	15,729	36,309	264,228
Court and other rewards	209,700			209,700
Advertising	75,397	6,168	16,786	98,351
Professional fees and contract labor	145,891	26,764		172,655
Occupancy	120,348	8,925	20,594	149,867
Travel	50,721	12	18	50,751
Telecommunications	47,701	5,062		52,763
Insurance	44,022	3,265	7,533	54,820
Bank and credit card fees		13,289		13,289
Other	6,064	1,392	1,169	8,625
Total expenses	<u>\$ 4,551,903</u>	<u>\$ 227,627</u>	<u>\$ 374,385</u>	5,153,915
Direct donor benefit costs				<u>203,082</u>
Total				<u>\$ 5,356,997</u>

*See accompanying notes to financial statements.*



## Crime Stoppers of Houston, Inc.

### Statements of Cash Flows for the years ended December 31, 2024 and 2023

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	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 488,124	\$ (145,795)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Net realized and unrealized (gain) loss on investments	1,992	(19,503)
Contributions restricted for capital improvements	(150,000)	
Depreciation	264,032	264,228
Amortization of operating right-of-use asset	3,260	3,156
Changes in operating assets and liabilities:		
Interest receivable and prepaid expenses	(56,902)	15,513
Contributions receivable	(179,215)	235,117
Accounts payable and accrued expenses	(29,354)	(21,289)
Court rewards escrow	2,100	(4,100)
Supplemental rewards escrow	28,940	(64,000)
Refundable advances – special events	(20,400)	20,400
Operating lease liability	<u>(3,260)</u>	<u>(3,156)</u>
Net cash provided by operating activities	<u>349,317</u>	<u>280,571</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(11,015)	
Net change in money market mutual funds held as investments	(43,298)	(35,748)
Purchases of investments	(666,800)	(1,041,083)
Proceeds from sales of investments	<u>789,001</u>	<u>1,012,945</u>
Net cash provided (used) by investing activities	<u>67,888</u>	<u>(63,886)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from contributions restricted for capital improvements	<u>150,000</u>	
<b>NET CHANGE IN CASH</b>	<b>567,205</b>	<b>216,685</b>
Cash, beginning of year	<u>4,397,922</u>	<u>4,181,237</u>
Cash, end of year	<u>\$ 4,965,127</u>	<u>\$ 4,397,922</u>
<i>Reconciliation of cash:</i>		
Cash	\$ 4,830,393	\$ 4,397,922
Cash restricted for capital improvements	<u>134,734</u>	<u>                    </u>
Total cash	<u>\$ 4,965,127</u>	<u>\$ 4,397,922</u>

*See accompanying notes to financial statements.*

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## Crime Stoppers of Houston, Inc.

Notes to Financial Statements for the years ended December 31, 2024 and 2023

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### 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).

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Amounts expected to be collected in future years are discounted to estimate the present value of future cash flows, if material. Discounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contribution revenue. An allowance for uncollectible contributions receivable is provided when it is believed that contributions may not be collected in full. The amount of loss on contributions recognized each period and the resulting adequacy of the allowance at the end of each period are determined using a combination of historical loss experience and individual account-by-account analysis of receivable balances.

Investments are reported at fair value. Net investment return consists of interest and dividends, realized and unrealized gains and losses, net of external and direct internal investment management and custodial expenses.

Property and equipment are 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 \$3,000. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from 3 to 39 years.

Supplemental rewards escrow is an agency fund liability for specific case rewards that are in excess of Crime Stoppers' \$5,000 reward. The funds are held in escrow until the case is solved or the person or persons providing the reward requests the funds be returned. No rewards were paid out of supplemental rewards escrow for the years ended December 31, 2024 and 2023, respectively.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both. Contributions of long-lived assets and of assets restricted for acquisition of

long-lived assets are released when those assets are placed in service unless the donor also has placed a time restriction on the use of the long-lived asset, in which case the release occurs over the term of the time restriction.

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 *with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before Crime Stoppers is entitled to receive or retain funding. Conditional contributions are recognized as revenue at fair value when the conditions have been met. Funding received before conditions are met is reported as refundable advances.

Nonfinancial asset contributions – Donated materials, use of facilities and services are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used or the services are received. 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.

Special events revenue is the total amount paid by sponsors and attendees of an event and includes elements of both contributions and exchange transactions. Special events revenue is recognized when the events occur. Direct donor benefit costs represent the cost of goods and services provided to attendees of the special events. Funds received in advance of an event are reported as a refundable advance.

Court rewards expense is recognized when approved for payment by the Reward Assessment Committee and the Board of Directors. If the court reward is unclaimed for at least 60 days, the funds are redeposited and funds are held in a restricted cash account for 120 days. Unclaimed court rewards outstanding for more than 180 days are held by Crime Stoppers and used for payment of cash rewards for other cases.

Advertising expense – Advertising costs are expensed as incurred.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. Depreciation, occupancy costs, interest expense and insurance expense are allocated based on estimates of time of persons associated with use of goods or services.

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 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 comprise the following:

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash	\$ 4,830,393	\$ 4,397,922
Interest receivable	5,023	3,448
Contributions receivable, net	531,013	351,798
Investments	1,820,459	1,901,354
Cash restricted for capital improvements	<u>134,734</u>	<u>                    </u>
Total financial assets	7,321,622	6,654,522
Less financial assets not available for general expenditure:		
Restricted by donors for use in future periods or future projects	(857,227)	(918,018)
Supplemental rewards escrow	(836,519)	(807,579)
Cash restricted for capital improvements	(134,734)	
Court rewards escrow	<u>(23,500)</u>	<u>(21,400)</u>
Total financial assets available for general expenditure	<u>\$ 5,469,642</u>	<u>\$ 4,907,525</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Crime Stoppers considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

As part of Crime Stoppers' liquidity management, financial assets have been structured to be available as its general expenditures, liabilities, and other obligations become due by maintaining a significant portion of its assets in cash and investments.

## NOTE 3 – CASH

Crime Stoppers is required to maintain a separate reward account for restricted contributions from the Harris County probation department. At December 31, 2024 and 2023, \$139,111 and \$87,023 included in cash and \$854,661 and \$978,562 included in investments, respectively, are restricted by statute to pay rewards to qualified informants.

Crime Stoppers also holds supplemental rewards escrow funds. At December 31, 2024 and 2023, \$478,329 and \$449,389 included in cash, respectively, are segregated by Crime Stoppers for this purpose. The remaining supplemental rewards funds are held with investments.

Demand deposits exceed the federally insured limit per depositor per institution.

## NOTE 4 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following:

	<u>2024</u>	<u>2023</u>
Special events	\$ 350,936	\$ 176,500
Texas Education Agency	95,370	108,370
Other	<u>84,707</u>	<u>66,928</u>
Contributions receivable, net	<u>\$ 531,013</u>	<u>\$ 351,798</u>

Contributions receivable at December 31, 2024 are expected to be collected as follows:

2025	\$ 516,013
2026	5,000
2027	5,000
2028	<u>5,000</u>
Total contributions receivable	<u>\$ 531,013</u>

At December 31, 2024 and 2023, approximately 69% and 73% of contributions receivable were due from four donors and two donors, respectively.

At December 31, 2024, Crime Stoppers has approximately \$110,000 of conditional contributions from government agencies. The contributions will be recognized as revenue when the conditions, which include incurring allowable expenses, are met.

#### NOTE 5 – INVESTMENTS AND 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, 2024 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Money market mutual funds	\$ 970,928			\$ 970,928
U. S. Treasury securities	626,618			626,618
U. S. government agency securities		\$ 198,155		198,155
Corporate bonds		<u>24,758</u>		<u>24,758</u>
Total assets measured at fair value	<u>\$ 1,597,546</u>	<u>\$ 222,913</u>	<u>\$ 0</u>	<u>\$ 1,820,459</u>

Assets measured at fair value at December 31, 2023 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Money market mutual funds	\$ 927,630			\$ 927,630
U. S. Treasury securities	703,029			703,029
U. S. government agency securities		\$ 232,039		232,039
Corporate bonds		<u>38,656</u>		<u>38,656</u>
Total assets measured at fair value	<u>\$ 1,630,659</u>	<u>\$ 270,695</u>	<u>\$ 0</u>	<u>\$ 1,901,354</u>

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

- *Mutual funds* are valued at the reported net asset value.
- *U. S. Treasury securities* are valued using prices obtained from active market makers and inter-dealer brokers on a daily basis.
- *U. S. 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.

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.

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 that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

#### NOTE 6 – OPERATING LEASE

Crime Stoppers has a noncancelable lease agreement for use of a tract of land adjacent to its land and building. The agreement terminates September 14, 2055 and requires fixed monthly payments. The discount rate associated with the lease is 3.25%, which is Crime Stoppers' estimated borrowing rate. Cash outflows and lease cost associated with the lease for the years ended December 31, 2024 and 2023 were \$9,000.

Crime Stoppers has adopted the following accounting policy elections:

- *Short-term leases* – Crime Stoppers has elected to not apply the recognized leases with terms of 12 months or less as expense on a straight-line basis over the lease term.
- *Discount rates* – Crime Stoppers elected to use its estimated incremental borrowing rate as the discount rate when the rate implicit in a lease is not readily determinable.

Undiscounted cash flows related to operating lease as of December 31, 2024 are as follows:

2025	\$ 9,000
2026	9,000
2027	9,000
2028	9,000
2029	9,000
Thereafter	<u>231,750</u>
Total undiscounted cash flows	276,750
Less discount to present value	<u>(101,903)</u>
Total discount present value of lease liability	<u>\$ 174,847</u>

**NOTE 7 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 1,905,620	\$ 1,905,620
Building and improvements	7,426,425	7,426,425
Equipment and vehicles	326,845	320,781
Furniture and fixtures	456,836	460,396
Software	<u>6,495</u>	<u>6,495</u>
Total property and equipment, at cost	10,122,221	10,119,717
Accumulated depreciation	<u>(2,390,350)</u>	<u>(2,134,829)</u>
Property and equipment, net	<u>\$ 7,731,871</u>	<u>\$ 7,984,888</u>

**NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted as follows:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Rewards	\$ 993,267	\$ 1,065,018
Safe School Program	919,085	
Capital improvements	134,734	
Other		<u>677</u>
Total net assets with donor restrictions	<u>\$ 2,047,086</u>	<u>\$ 1,065,695</u>

**NOTE 9 – CONTRIBUTED NONFINANCIAL ASSETS**

Contributed nonfinancial assets were recognized as follows:

CONTRIBUTED NONFINANCIAL ASSETS	MONETIZED OR UTILIZED IN PROGRAMS/ ACTIVITIES	DONOR RESTRICTIONS	VALUATION TECHNIQUES AND INPUTS	FISCAL YEAR <u>2024</u>	FISCAL YEAR <u>2023</u>
TIPS hotline services	Utilized for program services	None	Fair value estimated based on comparable salary for similar services.	\$1,859,089	\$1,871,428
Other	Utilized for program services, management and general and fundraising	None	Fair value estimated based on selling price of similar goods and services.	\$17,947	\$22,210
Total contributed nonfinancial assets				<u>\$1,877,036</u>	<u>\$1,893,638</u>

**NOTE 10 – GOVERNMENT GRANTS**

Crime Stoppers is the recipient of government grants from federal, state and local nonprofit agencies. Should these grants not be renewed, a replacement for this source of support may not be forthcoming and related expenses would not be incurred. Government grants recognized are as follows:

	<u>2024</u>	<u>2023</u>
Texas Education Agency	\$ 995,719	\$ 990,654
U. S. Department of Justice	107,290	108,789
Harris County District Attorney	95,000	
City of Houston	<u>1,936</u>	<u>          </u>
Total government grants	<u>\$ 1,199,945</u>	<u>\$ 1,099,443</u>

Grants from federal, state, and local nonprofit funding sources require fulfillment of certain conditions as set forth in the grant contracts and are subject to review and audit by the awarding agencies. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds as a result of non-compliance by Crime Stoppers with the terms of the contracts. Management believes such disallowances, if any, would not be material to Crime Stoppers’ financial position or changes in net assets.

**NOTE 11 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 18, 2025, 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.

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