Alliance For Children, Inc.

Financial Statements
As of and For the Years Ended
September 30, 2015 and 2014

(With Independent Auditor's Report)

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

Alliance For Children, Inc.

Financial Statements
As of and For the Years Ended September 30, 2015 and 2014

Alliance For Children, Inc.

Contents

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6050 Southwest Blvd, Suite 300
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Independent Auditor's Report

The Board of Directors
Alliance for Children, Inc.
Fort Worth, Texas

We have audited the accompanying financial statements of the Alliance For Children, Inc. (the "Alliance"), which comprise the statements of financial position as of September 30, 2015 and 2014 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's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alliance as of September 30, 2015 and 2014 and changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

BDO USA, LLP

January 29, 2016
Fort Worth, Texas

Financial Statements

Alliance For Children, Inc.

Statements of Financial Position

September 30,	**2015**	2014
Assets		
Cash and cash equivalents	**$ 860,177**	$ 608,598
Grants and contracts receivable	**65,416**	60,119
Prepaid expenses	**45,779**	23,861
Unconditional promises to give	**159,960**	271,925
Investments	**801,875**	821,569
Property and equipment, net	**3,183,638**	3,290,465
License fee, net	**23,275**	30,775
Total assets	**$ 5,140,120**	$ 5,107,312
Liabilities and Net Assets		
Liabilities		
Accounts payable	**$ 36,860**	$ 13,835
Accrued liabilities	**37,724**	40,863
Deferred revenue	**63,348**	151,220
Total liabilities	**137,932**	205,918
Commitments and contingencies		
Net assets		
Unrestricted		
Undesignated	**3,824,539**	3,653,107
Designated	**335,502**	348,271
Total unrestricted net assets	**4,160,041**	4,001,378
Temporarily restricted	**390,304**	454,898
Permanently restricted	**451,843**	445,118
Total net assets	**5,002,188**	4,901,394
Total liabilities and net assets	**$ 5,140,120**	$ 5,107,312

See accompanying notes to financial statements.

Alliance For Children, Inc.

Statements of Activities

For the Year Ended September 30,	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Other Support								
Contributions	$ 626,500	$ 165,663	$ 6,725	$ 798,888	$ 776,474	$ 191,910	$ 33,453	$ 1,001,837
Fundraising events, net of direct donor cost of $65,190 and $51,000, respectively	406,692	-	-	406,692	430,758	-	-	430,758
County grants	275,691	-	-	275,691	220,691	-	-	220,691
City grants	231,507	-	-	231,507	227,962	-	-	227,962
State grants	415,422	-	-	415,422	420,204	-	-	420,204
Federal grants	221,298	-	-	221,298	172,778	-	-	172,778
Rental income	72,933	-	-	72,933	76,631	-	-	76,631
Other revenue	24,043	-	-	24,043	38,825	-	-	38,825
Investment income	(13,030)	(18,029)	-	(31,059)	6,426	17,390	-	23,816
Net assets released from restrictions	212,228	(212,228)	-	-	85,430	(85,430)	-	-
Total revenue and other support	2,473,284	(64,594)	6,725	2,415,415	2,456,179	123,870	33,453	2,613,502
Expenses:								
Program services	1,667,676	-	-	1,667,677	1,503,833	-	-	1,503,833
Management and general	378,038	-	-	378,037	329,958	-	-	329,958
Fundraising	268,907	-	-	268,907	314,094	-	-	314,094
Total expenses	2,314,621	-	-	2,314,621	2,147,885	-	-	2,147,885
Change in net assets	158,663	(64,594)	6,725	100,794	308,294	123,870	33,453	465,617
Net assets at beginning of year	4,001,378	454,898	445,118	4,901,394	3,693,084	331,028	411,665	4,435,777
Net assets at end of year	$ 4,160,041	$ 390,304	$ 451,843	$ 5,002,188	$ 4,001,378	$ 454,898	$ 445,118	$ 4,901,394

See accompanying notes to financial statements.

Alliance For Children, Inc.

Statements of Cash Flows

For the Year Ended September 30,	**2015**	2014
Cash flows from operating activities		
Change in net assets	**$ 100,794**	$ 465,617
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**127,896**	127,538
Unrealized loss(gain) on investment	**60,210**	(13,420)
Contributions received for investment in endowment fund	**(6,725)**	(33,453)
Change in operating assets and liabilities:		
Grants and contracts receivable	**(5,297)**	(9,135)
Prepaid expenses	**(21,918)**	19,267
Unconditional promises to give	**111,965**	103,315
Accounts payable	**23,025**	9,691
Accrued liabilities	**(3,139)**	539
Deferred revenue	**(87,872)**	(90,351)
Net cash provided by operating activities	**298,939**	579,608
Cash flows from investing activities		
Purchases of investments	**(40,516)**	(278,574)
Purchases of property and equipment	**(13,569)**	(79,462)
Net cash used in investing activities	**(54,085)**	(358,036)
Cash Flows from financing activities		
Contributions received for investment in endowment fund	**6,725**	33,453
Net cash provided by financing activities	**6,725**	33,453
Net increase in cash and cash equivalents	**251,579**	255,025
Cash and cash equivalents, beginning of year	**608,598**	353,573
Cash and cash equivalents, end of year	**$ 860,177**	**$** 608,598

See accompanying notes to financial statements.

Alliance For Children, Inc.

Statement of Functional Expenses

For the Year Ended September 30,	2015			
	Program Services	Management and General	Fundraising	Total
Salaries and Related Expenses				
Salaries	$ 860,990	$ 245,997	$ 122,999	$ 1,229,986
Payroll taxes	63,470	18,135	9,067	90,672
Employee benefits	105,512	30,146	15,073	150,731
Total salaries and related expenses	1,029,972	294,278	147,139	1,471,389
Other				
Professional	22,259	18,749	-	41,008
Client contract services	75,112	-	-	75,112
Rent	58,000	-	-	58,000
Telephone	42,822	2,302	921	46,045
Utilities	38,994	2,096	839	41,929
Community education	50,457	21,624	-	72,081
Repairs and maintenance	49,394	2,600	-	51,994
Janitorial	20,882	1,099	-	21,981
Training	25,155	6,289	-	31,444
Insurance	28,079	1,478	-	29,557
Other	12,378	1,375	13,753	27,506
Printing and advertising	1,205	1,204	-	2,409
Office expense	33,044	11,017	11,015	55,076
Venue	-	-	92,687	92,687
Mileage	16,120	4,606	2,303	23,029
Partner agency training	11,606	-	-	11,606
Security	17,684	931	-	18,615
Equipment lease	11,642	626	250	12,518
Postage	1,370	1,369	-	2,739
Total other expenses	516,203	77,365	121,768	715,336
Total before depreciation and amortization	1,546,175	371,643	268,907	2,186,725
Depreciation and amortization	121,501	6,395	-	127,896
Total expenses	$ 1,667,676	$ 378,038	$ 268,907	$ 2,314,621

See accompanying notes to financial statements.

Alliance For Children, Inc.

Statement of Functional Expenses

For the Year Ended September 30,	2014			
	Program Services	Management and General	Fundraising	Total
Salaries and Related Expenses				
Salaries	$ 755,732	$ 215,924	$ 107,962	$ 1,079,618
Payroll taxes	57,300	16,371	8,186	81,857
Employee benefits	107,267	30,648	15,324	153,239
Total salaries and related expenses	920,299	262,943	131,472	1,314,714
Other				
Professional	17,318	18,011	49,000	84,329
Client contract services	71,633	-	-	71,633
Rent	58,000	-	-	58,000
Telephone	44,204	2,376	951	47,531
Utilities	40,283	2,166	866	43,315
Community education	31,036	13,301	-	44,337
Repairs and maintenance	39,019	2,054	-	41,073
Janitorial	20,627	1,086	-	21,713
Training	18,858	4,715	-	23,573
Insurance	25,584	1,347	-	26,931
Other	10,813	1,201	12,015	24,029
Printing and advertising	2,915	2,914	-	5,829
Office expense	16,849	5,617	5,617	28,083
Venue	-	-	112,357	112,357
Mileage	10,830	3,094	1,547	15,471
Partner agency training	26,106	-	-	26,106
Security	14,415	759	-	15,174
Equipment lease	12,559	675	269	13,503
Postage	1,324	1,322	-	2,646
Total other expenses	462,373	60,638	182,622	705,633
Total before depreciation and amortization	1,382,672	323,581	314,094	2,020,347
Depreciation and amortization	121,161	6,377	-	127,538
Total expenses	$ 1,503,833	$ 329,958	$ 314,094	$ 2,147,885

See accompanying notes to financial statements.

1. Nature of Activities

Alliance For Children, Inc. (the "Alliance") is a coordinating alliance for evaluation, intervention, evidence gathering and counseling for the benefit of abused children. The Alliance's mission is "to protect children of Tarrant County from child abuse through teamed investigations, healing services and community education." Partner agencies include various police departments in Tarrant County, the District Attorney's Office of Tarrant County, Child Protective Services and Cook Children's Healthcare System. Some of these agencies' personnel are co-located in the three centers operated by the Alliance in Tarrant County, Texas. The Alliance presently provides coordinating services in Fort Worth, Arlington and Northeast Tarrant County, Texas.

2. Summary of Significant Accounting Policies

Financial Statement Presentation

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets and revenues, support, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Unrestricted net assets

Net assets not subject to donor-imposed stipulations. Certain portions of unrestricted net assets may be designated by the board of directors for specific purposes.

Temporarily restricted net assets

Net assets subject to donor-imposed stipulations that may or will be met by actions of the Alliance and/or the passage of time.

Permanently restricted net assets

Net assets subject to donor-imposed stipulations that will never lapse; thus, requiring the funds to be retained permanently.

Revenues and support are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed and/or time restrictions. Support and revenues that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the same reporting period in which the support is recognized. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporarily restricted net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents

The Alliance considers all highly liquid investments with initial maturities of three months or less to be cash equivalents with the exception of those amounts held as part of the investment portfolio, which are generally intended for long-term purposes. The Alliance holds its cash and cash equivalents at quality financial institutions. As of September 30, 2015 and 2014, cash exceeded federally insured limits by approximately $612,000 and $363,000, respectively.

Grants and Contracts Receivable

Grants and contracts receivable primarily represent amounts due from government agencies for reimbursement of allowable costs according to the agreements. Revenue is recognized as expenses which are reimbursable under grants or contracts are incurred. Management uses the "allowance method" and evaluates the adequacy of the allowance for doubtful accounts based on a periodic review of individual accounts. The primary factors considered in determining the amount of the allowance are past payment history and other specific information known to management that may affect collectability. In management's opinion no allowance for doubtful accounts was considered necessary at September 30, 2015 or 2014. All grants and contracts receivable are expected to be collected within one year.

Unconditional Promises to Give

Contributions are recognized as support in the period in which unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than monetary assets are recorded at their estimated fair value. The Alliance uses the previously described allowance method to determine uncollectible promises receivable and no allowance for doubtful accounts was considered necessary by management as of September 30, 2015 and 2014. For the years ended September 30, 2015 and 2014, all promises to give are short term in nature, and therefore no valuation allowance has been recorded. Approximately 100% and 95% of the 2015 and 2014 receivable balance are due from two and one donors, respectively.

Investments

Investments are carried at fair value. Realized and unrealized gains and losses are reflected in the statement of activities.

Property and Equipment

Property and equipment purchased at a cost of $1,000 or more is recorded at cost and depreciated over the estimated useful lives using the straight-line method. Depreciable lives are typically forty years for buildings and land improvement and five years for equipment and other property. Donations of property and equipment are recorded as support at their fair value. If the value is $1,000 or more, the donated asset is capitalized and depreciated consistent with purchased assets. Maintenance and repairs that do not significantly improve or extend the lives of property or equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized.

Deferred Revenue

Deferred revenue represents amounts received for fundraising events to be held in the subsequent year. Such amounts would be returned to the donor if the event were cancelled.

Functional Allocation of Expenses

The costs of providing the programs and activities of the Alliance have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among program services, fundraising and management and general expenses.

Fair Values of Financial Instruments

The carrying amounts of cash and cash equivalents, grants and contracts receivable, prepaid expenses, unconditional promises to give, accounts payable, accrued expenses and deferred revenue approximate fair value because of the short maturity of those instruments.

Income Taxes

The Alliance is exempt for federal income tax purposes under Internal Revenue Code Section 501(c) (3). Therefore, no tax provision or liability has been reported in the accompanying financial statements. The Alliance follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic for *Accounting for Uncertainty in Income Taxes*. Under this ASC topic, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. This ASC topic had no impact on the financial statements. The Alliance does not believe there are any unrecognized tax benefits that should be recorded. For the years ended September 30, 2015 and 2014, there were no interest or penalties recorded or included in the statements of activities related to taxes. The Alliance is not under examination for tax purposes by any jurisdiction. Years 2010 through present are subject to examination.

Management Estimates and Assumptions

The process of preparing financial statements in conformity with GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, support and revenue, and functional expenses. Such estimates are primarily related to unsettled transactions and events as of the date of the financial statements and allocations of expense by function. Accordingly, upon settlement, actual results may differ from estimated amounts.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Alliance generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Alliance, but these services do not meet the criteria for recognition as contributed services.

Impairment of Long-Lived Assets

The Alliance periodically evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance may not be recoverable. When factors indicate that an asset should be evaluated for possible impairment, the Alliance reviews long-lived assets to assess recoverability from future operations using undiscounted cash flows. Impairments are recognized to the extent that the carrying value exceeds fair value. No impairments were recorded during the years ended September 30, 2015 or 2014.

Recent Accounting Pronouncements

The Alliance has evaluated the recently issued accounting pronouncements through the date that these financial statements were available to be issued and has determined the application of these pronouncements will have no material impact on its financial position and changes in net assets.

3. Investments

Investments consisted of the following:

September 30,		**2015**	
	Fair Value	**Cost**	**Unrealized Gain (Loss)**
Cash and cash equivalents	**$ 11,610**	**$ 11,610**	**$ -**
Fixed income mutual funds	**315,287**	**326,000**	**(10,713)**
Equity mutual funds	**474,978**	**506,600**	**(31,622)**
	$ 801,875	**$ 844,210**	**$ (42,335)**

September 30,		2014	
	Fair Value	Cost	Unrealized Gain (Loss)
Cash and cash equivalents	$ 73,094	$ 73,094	$ -
Fixed income mutual funds	323,280	326,000	(2,720)
Equity mutual funds	425,195	404,600	20,595
	$ 821,569	$ 803,694	$ 17,875

A reconciliation of unrealized appreciation for the years ended September 30, follows:

September 30,	**2015**	2014
Unrealized gain beginning of year	**$ 17,875**	$ 4,455
Unrealized (loss) gain on investments, net	**(60,210)**	13,420
Unrealized (loss) gain at end of year	**$ (42,335)**	$ 17,875

Investment earnings for the year ended September 30 is summarized as follows:

September 30,		**2015**		2014
Unrealized gain/(loss) on investments	**$**	**(60,210)**	$	13,420
Interest and dividend income		**29,151**		10,396
	$	**(31,059)**	$	23,816

FASB ASC topic *Fair Value Measurements and Disclosures* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under topic *Fair Value Measurements and Disclosures* are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Alliance's investments are assets measured at fair value on a recurring basis. All investments are either cash equivalents or actively traded investments, and therefore, all balances are Level 1 assets under the hierarchy.

Investments at September 30 consisted of the following:

	Level 1	
	2015	2014
Cash and cash equivalents	**$ 11,610**	$ 73,094
Fixed income mutual funds	**315,287**	323,280
Equity mutual funds	**474,978**	425,195
	$ 801,875	$ 821,569

4. Endowment Fund

The Alliance's endowment consists of one donor-restricted fund and one fund designated by the Board of Directors to function as an endowment. The donor-restricted contributions are made to establish a permanent endowment. The earnings from the endowment funds are to be used to support the Alliance's facilities. Net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

The following table reconciles the endowment fund to related asset balances as of September 30:

	2015	2014
Investments	**$ 801,875**	$ 821,569
Unconditional promises to give	**-**	14,700
Cash (due from) due to investments	**4,190**	(6,131)
	$ 806,065	$ 830,138

The endowment fund net asset activity and composition by type of funds is as follows:

	Donor Restricted			
	Temporarily Restricted	**Permanently Restricted**	**Board Designated**	**Total**
Balance at October 1, 2013	$ 19,359	$ 411,665	$ 171,624	$ 602,648
Contributions	-	33,453	170,221	203,674
Investment income	17,390	-	6,426	23,816
Balance at September 30, 2014	36,749	445,118	348,271	830,138
Contributions	-	6,725	261	6,986
Investment loss	(18,029)	-	(13,030)	(31,059)
Balance at September 30, 2015	**$ 18,720**	**$ 451,843**	**$ 335,502**	**$ 806,065**

Interpretation of Relevant Law

The Board of Directors of the Alliance has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Alliance classifies permanently restricted net assets as (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Alliance. In accordance with the law, the Alliance considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: the duration and preservation of the funds; the purposes of the Alliance and the donor-restricted endowment fund; the general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources of the Alliance; and the investment policies established by the Alliance.

Return Objectives and Risk Parameters

Endowment funds are prudently invested as permanently restricted funds, in a manner consistent with earning superior long-term capital appreciation, while minimizing both short and long-term volatility. As a permanent fund, the investment objectives for the endowment require disciplined and consistent management that accommodates all events that are relevant, reasonable and probable. Extreme positions or frequent variations in management style are not consistent with these objectives. The investments of the endowment shall be appropriately diversified so as to minimize risk and volatility while maximizing expected returns.

Strategies Employed for Achieving Objectives

In general, the return objective for the endowment is an average annual total real (adjusted for inflation and fees) rate of return as measured over a three to five-year market period. The asset allocation, consistent with these expectations, shall be within the following ranges; Equities 60-80%, Fixed Income 20-40% and Cash 0-10%.

It is the responsibility of the Executive Director working in conjunction with the investment consultant, to monitor asset allocation and to make adjustments, as necessary, to ensure an on-going asset allocation consistent with return objectives and cash requirements. Variations of up to five percentage points from the stated targets are acceptable. It is also understood the Investment Committee will review the portfolio's asset allocation ranges no less than twice annually.

Spending Policy and How the Investment Objectives Relate to Spending Policy

At the current time and until the endowment exceeds $1 million the spending rate will be 0%. Thereafter, the spending rate is 5%; the amount to be spent in each coming year shall be approved annually by the Investment Committee. Though changes to the spending rate are expected to be infrequent, the Investment Committee may recommend changes in the spending rate when it is deemed appropriate to do so.

5. Property and Equipment

Property and equipment as of September 30 consisted of the following:

	2015	2014
Land	**$ 442,057**	$ 442,057
Land improvements	**111,071**	111,071
Building	**3,177,669**	3,177,669
Furniture and fixtures	**376,882**	363,313
Leasehold improvements	**80,881**	80,881
Total property and equipment	**4,188,560**	4,174,991
Accumulated depreciation	**(1,004,922)**	(884,526)
Property and equipment, net	**$ 3,183,638**	$ 3,290,465

6. License Fee

The Alliance has signed an agreement with Tarrant County, Texas for a twenty-year license to provide children services in a facility owned by the County. The license fee of $150,775 is being amortized on the straight-line basis over the life of the license. Accumulated amortization was $127,500 and $120,000 at September 30, 2015 and 2014, respectively.

7. Line Of Credit

The Alliance has an unsecured line of credit agreement with a bank in the amount of $150,000, which expires in April 2016. Borrowings under the line of credit bear interest at the bank's prime rate plus 1.25% and 1.75% (4.5% and 5% at September 30, 2015 and 2014). There were no outstanding borrowings under the line of credit as of September 30, 2015 or 2014.

8. Temporarily Restricted Net Assets

A summary of temporarily restricted net assets at September 30 follows:

	2015	2014
Counseling and therapy	$ 314,936	$ 327,802
Purchase of IT equipment	56,648	90,347
	371,584	418,149
Unappropriated endowment earnings	18,720	36,749
	$ 390,304	$ 454,898

9. Rental Income and Donated Rent

The Alliance's Arlington facility is provided by the city of Arlington, Texas under a long-term lease arrangement which represents an in-kind donation by the city of Arlington. The value of this in-kind donation of rent is recognized as revenue by the Alliance. The estimated fair value of the rental facility was approximately $58,000 and is recognized as a contribution and program service expense during both fiscal year 2015 and 2014. No pledge receivable is recorded for the future use of the facility because the lease arrangement can be cancelled by either party with three-month notice.

The Alliance subleases portions of its facilities to the state of Texas under cancellable sublease agreements. Income under these agreements is reported as rental income on the statement of activities. Each of the leases is contingent upon funding availability for specific government programs.

10. Commitments and Contingencies

The Alliance leases certain office equipment under non-cancellable operating leases that expire in various years through 2019. Expenses for such leases are reported as equipment lease on the statement of functional expenses. Future obligations under these leases are:

2016	$ 9,084
2017	9,084
2018	8,499
2019	3,833
	$ 30,500

The Alliance receives a substantial amount of its support from federal, state and local government grants. These grants require fulfillment of certain conditions as set forth in the grant agreement. Failure to fulfill the conditions could result in the return of the funds to grantors. In the opinion of management, the Alliance is in compliance with the terms and conditions of the grants.

11. Retirement Plan

The Alliance sponsors a Simple IRA plan for the benefit of its employees. Employees are eligible to participate after they have completed one year of service. The Alliance has the option to match all eligible employees' contributions to the Simple IRA at 2% of each employee's salary. The Alliance contributed $19,358 and $15,263 to the Simple IRA during the 2015 and 2014 fiscal years respectively.

12. Subsequent Events

The date to which events occurring after September 30, 2015, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is January 29, 2016, which is the date on which the financial statements were available to be issued.