

CRIME VICTIM CARE OF ALLEN COUNTY, INC.

FORT WAYNE, INDIANA

Financial Statements

as of December 31, 2014 and 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Crime Victim Care of Allen County, Inc.
Fort Wayne, Indiana

We have audited the accompanying financial statements of the Crime Victim Care of Allen County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014 and 2013, and the related statements of activities and net assets, functional expenses, and 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 statement 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 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 from material misstatement.

An audits involve 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 Crime Victim Care of Allen County, Inc. as of December 31, 2014 and 2013 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Leonard J. Andorfer & Co., LLP

LEONARD J. ANDORFER & CO., LLP
Certified Public Accountants
Fort Wayne, Indiana

February 21, 2015

CRIME VICTIM CARE OF ALLEN COUNTY, INC.

Statements of Financial Position

ASSETS	<u>December 31 2014</u>	<u>December 31 2013</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 40,208	\$ 68,812
Grants receivable	203,549	92,566
Prepaid expense	<u>2,948</u>	<u>2,837</u>
Total Current Assets	246,705	164,215
FIXED ASSETS		
Property and equipment	28,868	7,767
Less: accumulated depreciation	<u>(8,016)</u>	<u>(6,884)</u>
Total Fixed Assets (net)	<u>20,852</u>	<u>883</u>
TOTAL ASSETS	<u><u>\$ 267,557</u></u>	<u><u>\$ 165,098</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 18,275	\$ 8,807
Accrued salaries and wages	9,719	12,451
Deferred revenue	<u>-</u>	<u>1,312</u>
Total Current Liabilities	27,994	22,570
NET ASSETS		
Unrestricted	99,208	66,788
Temporarily restricted	140,355	75,740
Permanently restricted	<u>-</u>	<u>-</u>
Total Net Assets	<u>239,563</u>	<u>142,528</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 267,557</u></u>	<u><u>\$ 165,098</u></u>

The Notes to Financial Statements
are an integral part of the statements.

CRIME VICTIM CARE OF ALLEN COUNTY, INC.
Statement of Activities and Net Assets
For the Year Ended December 31, 2014
(With Comparative Totals for the Year Ended December 31, 2013)

SUPPORT AND REVENUE	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
Support					
Contributions					
Foundations and trusts	\$ 5,250	\$ 161,866	\$	\$ 167,116	\$ 113,113
Individuals	2,700			2,700	3,666
Other	792			792	1,501
In-kind	20,100			20,100	24,600
Special events	745			745	1,265
Revenues					
Program service fees	396,409			396,409	298,591
Miscellaneous income	937			937	1,153
Net assets released from restrictions					
Restrictions satisfied by payments	<u>97,251</u>	(<u>97,251</u>)	<u> </u>	<u> </u>	<u> </u>
Total Support, Revenues and Net Assets Released From Restrictions	524,184	64,615		588,799	443,889
 EXPENSES					
Program services	445,299			445,299	316,680
Management and general	37,895			37,895	32,259
Fundraising	8,570			8,570	6,672
Total Expenses	<u>491,764</u>	<u> </u>	<u> </u>	<u>491,764</u>	<u>355,611</u>
 CHANGE IN NET ASSETS	32,420	64,615		97,035	88,278
 NET ASSETS - BEGINNING OF YEAR	66,788	75,740		142,528	25,850
 PRIOR PERIOD ADJUSTMENT	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>28,400</u>
 NET ASSETS - END OF YEAR	<u>\$ 99,208</u>	<u>\$ 140,355</u>	<u>\$</u>	<u>\$ 239,563</u>	<u>\$ 142,528</u>

The Notes to Financial Statements
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CRIME VICTIM CARE OF ALLEN COUNTY, INC.
Statement of Activities and Net Assets
For the Year Ended December 31, 2013

SUPPORT AND REVENUE	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2013 Total</u>
Support				
Contributions				
Foundations and trusts	\$ 26,113	\$ 87,000	\$	\$ 113,113
Individuals	3,666			3,666
Other	1,501			1,501
In-kind	24,600			24,600
Special events	1,265			1,265
Revenues				
Program service fees	298,591			298,591
Miscellaneous income	1,153			1,153
Net assets released from restrictions				
Restrictions satisfied by payments	<u>45,246</u>	<u>(45,246)</u>		
Total Support, Revenues and Net Assets Released From Restrictions	402,135	41,754		443,889
 EXPENSES				
Program services	316,680			316,680
Management and general	32,259			32,259
Fundraising	<u>6,672</u>			<u>6,672</u>
Total Expenses	<u>355,611</u>			<u>355,611</u>
 CHANGE IN NET ASSETS	46,524	41,754		88,278
 NET ASSETS - BEGINNING OF YEAR	25,850			25,850
 PRIOR PERIOD ADJUSTMENT	<u>(5,586)</u>	<u>33,986</u>		<u>28,400</u>
 NET ASSETS - END OF YEAR	<u>\$ 66,788</u>	<u>\$ 75,740</u>	<u>\$</u>	<u>\$ 142,528</u>

The Notes to Financial Statements
are an integral part of the statements.

CRIME VICTIM CARE OF ALLEN COUNTY, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2014
(With Comparative Totals for the Year Ended December 31, 2013)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2014 Total Expenses</u>	<u>2013 Total Expenses</u>
Salaries and wages	\$ 191,041	\$ 6,033	\$ 4,022	\$ 201,096	\$ 153,844
Payroll taxes	14,856	469	313	15,638	11,904
Employee benefits	<u>33</u>			<u>33</u>	<u>1,419</u>
Total Salaries and Related Expenses	205,930	6,502	4,335	216,767	167,167
Contracted professional services	192,714	14,824	4,235	211,773	123,086
Conferences and meetings	10,686	562		11,248	10,731
Travel and mileage	8,395	933		9,328	10,806
Background checks	1,178			1,178	507
Client emergency expenses	211			211	692
Advertising				-	957
Dues and subscriptions				-	610
Insurance		2,751		2,751	2,542
Miscellaneous expenses				-	300
Office supplies	2,033	3,050		5,083	3,007
Postage and shipping	71	31		102	516
Printing and publications	1,405	756		2,161	4,009
Rent (\$20,100 in-kind)	20,664	4,336		25,000	25,000
Telephone	<u>2,012</u>	<u>3,017</u>		<u>5,029</u>	<u>5,126</u>
Total Expenses Before Depreciation	445,299	36,762	8,570	490,631	355,056
Depreciation		<u>1,133</u>		<u>1,133</u>	<u>555</u>
Total Expenses	<u>\$ 445,299</u>	<u>\$ 37,895</u>	<u>\$ 8,570</u>	<u>\$ 491,764</u>	<u>\$ 355,611</u>

The Notes to Financial Statements
are an integral part of the statements.

CRIME VICTIM CARE OF ALLEN COUNTY, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2013

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2013 Total Expenses</u>
Salaries and wages	\$ 144,749	\$ 5,684	\$ 3,411	\$ 153,844
Payroll taxes	11,208	435	261	11,904
Employee benefits	1,419			1,419
Total Salaries and Related Expenses	157,376	6,119	3,672	167,167
Contracted professional services	111,086	9,000	3,000	123,086
Conferences and meetings	10,093	638		10,731
Travel and mileage	9,662	1,144		10,806
Background checks	507			507
Client emergency expenses	692			692
Advertising	42	915		957
Dues and subscriptions	149	461		610
Insurance		2,542		2,542
Miscellaneous expenses	300			300
Office supplies	1,205	1,802		3,007
Postage and shipping	322	194		516
Printing and publications	2,571	1,438		4,009
Rent (\$24,600 in-kind)	20,664	4,336		25,000
Telephone	2,011	3,115		5,126
Total Expenses Before Depreciation	316,680	31,704	6,672	355,056
Depreciation		555		555
Total Expenses	<u>\$ 316,680</u>	<u>\$ 32,259</u>	<u>\$ 6,672</u>	<u>\$ 355,611</u>

The Notes to Financial Statements
are an integral part of the statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Nature of Activities

Crime Victim Care of Allen County, Inc. (CVC) is a nonprofit organization whose mission is to bring wholeness to immigrants and refugee families who experience brokenness due to violence, crime, mental health, addictions and abuse.

Founded in 2006, Crime Victim Care of Allen County, Inc. (CVC) is a nonprofit organization whose mission is to bring wholeness to immigrant and refugee families who experience brokenness due to violence, substance abuse, crime, and physical abuse. The organization's vision is the healthy integration of immigrants and refugees as contributing members of the community.

CVC's programs for immigrants and refugees include:

- **Family Support:** services to prevent or address abuse and neglect of children. Case workers and counselors often bridge cultural barriers to preserve a family unit and protect children.
- **Victim Care:** helping victims of crime navigate the legal system and connect to resources to help stabilize their lives.
- **Addiction Services:** services to support recovery, educate on U.S. laws and educate on the medical consequences of alcohol abuse.
- **Community Support Services:** services to provide individual mental health counseling and community adjustment support groups.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Property and Equipment - Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment is depreciated using the straight-line method over the following periods:

Leasehold Improvements	10 years
Equipment	5 years

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation - Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net unrestricted assets if the restriction expires or is met in the reporting period in which the support is recognized.

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

Contributions and Contributions Receivable - Contributions including gifts, grants, bequest, pledges, and other unconditional promises to give are recorded as revenue in the period received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Uncollectible Accounts Receivable - Management has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Donated Materials and Services - Donated services are recognized as contributions in accordance with FASB ASC 958-605-05 if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During the years ended December 31, 2014 and 2013 there were no contributed materials and services meeting the requirements for recognition in the financial statements.

The Organization receives the use of facilities used in its programs. The value of the donated facilities amounted to \$20,100 and \$24,600 for the years ended December 31, 2014 and 2013, respectively.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - Summary of Significant Accounting Policies (Continued)

Compensated Absences - The Organization's employee base is made up of full-time and part-time employees. Compensated absences in the amount of \$0 and \$3,852 at December 31, 2014 and 2013, respectively, have been included with accrued salaries and wages in the financial statements.

Functional Expenses - The Crime Victim Care of Allen County, Inc. allocates its expenses on a functional basis among its programs and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to multiple functions are allocated by various statistical bases.

Advertising Costs - Advertising and promotional programs are charged to expense during the period in which they are incurred. Advertising expense for the years ending December 31, 2014 and 2013 was \$0 and \$957, respectively.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Prior Period Adjustment - Net assets as of December 31, 2012 have been adjusted to correct errors related to the omission of accrued paid time off, additional grants receivable and a reclassification of deferred revenue. The effect of the restatement was to decrease unrestricted net assets by \$5,586 and increase temporarily restricted net assets by \$33,986. The errors had no effect on the change in net assets for the year ended December 31, 2014 and 2013.

Income Taxes - The Crime Victim Care of Allen County, Inc. is a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies for the 50% charitable contribution limitation.

The Organization has adopted FASB ASC 740-10-25 and determined no material unrecognized tax benefits or liabilities exist as of December 31, 2014. The adoption of FASB ASC 740-10-25 did not impact the Organization's financial position or results of operations. If applicable, the Organization will recognize interest and penalties related to underpayment of income taxes as income tax expense. As of December 31, 2014 the Organization had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. The Organization does not anticipate any significant changes to unrecognized income tax benefits over the next year. The Organization is generally no longer subject to examination by Federal and State agencies for tax years before 2011.

NOTE 3 - Concentration of Credit Risk

The Organization maintains cash balances at one financial institution. Deposits at this institution are insured by the Federal Deposit Insurance Corporation. No uninsured cash balances existed at December 31, 2014.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - Grants Receivable

The Organization incurs expenses and then submits requests for reimbursement by third-party grantors. The reimbursement requests are reviewed by the grantor, taking into consideration the purpose of the expenditures, the amount of the original grant, and the provisions set forth. Grants receivable under these terms amounted to \$96,049 and \$38,080 as of December 31, 2014 and 2013, respectively.

Grants receivable also include additional amounts of \$107,500 and \$54,486, respectively for the years ending December 31, 2014 and 2013. The majority of these amounts have been pledged to fund subsequent years' operations; therefore, they are also listed as temporarily restricted net assets in Note 6.

NOTE 5 - Property and Equipment

The components of property and equipment at December 31, 2014 and 2013 are as follows:

	2014	2013
Leasehold improvements	\$ 4,352	\$ -
Equipment	24,516	7,767
	<u>28,868</u>	<u>7,767</u>
Less: accumulated depreciation	8,016	6,884
	<u>\$ 20,852</u>	<u>\$ 883</u>

NOTE 6 – Note Payable

The Organization obtained a revolving loan on October 8, 2010. In October 2013, the lender chose to write off the balance of \$15,612 and CVC recorded it as a foundation contribution.

NOTE 7 – Leases

The Organization leases office and program space from Parkview Health Systems, Inc. The lease dated December 1, 2010 requires \$0 lease payments through November 30, 2013. Per an amended lease agreement from December 1, 2013 through November 30, 2014 the lease requires monthly payments of \$400 which is below the estimated fair market rental value of \$2,083 per month. The annual rental less the \$400 December 2013 payment was recognized as in-kind support and rent expense per Note 2 Donated Materials and Services.

Minimum future lease payments are as follows:

Year	Amount
2015	\$ 5,500

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 8 - Restrictions on Assets

Temporarily restricted net assets are available for the following purposes:

	<u>Balance</u> <u>12/31/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2014</u>
Operating Support				
Community Foundation of Greater FW	\$ 5,000	\$ 10,000	\$ 9,167	\$ 5,833
Foellinger Foundation, Inc.	12,000	30,000	12,000	30,000
Harold and Rachel McMillen Foundation	5,000	5,000	5,000	5,000
Lincoln Foundation	1,000		1,000	-
Program Support				
Harold P. Arnold Foundation	1,000	1,000	1,000	1,000
St. Joseph Community Health Foundation	10,598	25,000	24,287	11,311
The Lutheran Foundation	25,000	75,000	25,000	75,000
Project Support				
Foellinger Foundation, Inc.	<u>16,142</u>	<u>15,866</u>	<u>19,797</u>	<u>12,211</u>
Total	<u>\$ 75,740</u>	<u>\$ 161,866</u>	<u>\$ 97,251</u>	<u>\$ 140,355</u>

NOTE 9 - Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 21, 2015, the date the financial statements were available to be issued.