

CRIME VICTIM CARE OF ALLEN COUNTY, INC.

FORT WAYNE, INDIANA

Financial Statements

as of December 31, 2015 and 2014

CONTENTS

| | Page |
|---|-------------|
| FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT | |
| Independent Auditor's Report | 1 |
| Statements of Financial Position | 2 |
| Statements of Activities and Net Assets | 3-4 |
| Statements of Functional Expenses | 5-6 |
| Statements of Cash Flows | 7 |
| Notes to Financial Statements | 8-12 |

LEONARD J. ANDORFER & CO., LLP
Certified Public Accountants

Park Lake Medical Building
2410 Lake Avenue - P. O. Box 5486 - Fort Wayne, Indiana 46895-5486
260-423-9405

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 Crime Victim Care of Allen County, Inc. (a nonprofit Organization), which comprise the statement of financial position as of December 31, 2015 and 2014, 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 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 Crime Victim Care of Allen County, 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.

Leonard J. Andorfer & Co., LLP

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

January 29, 2016

CRIME VICTIM CARE OF ALLEN COUNTY, INC.

Statements of Financial Position

| ASSETS | December 31 <u>2015</u> | December 31 <u>2014</u> |
|---|----------------------------|----------------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 105,555 | \$ 40,208 |
| Grants receivable | 229,113 | 203,549 |
| Prepaid expense | <u>6,036</u> | <u>2,948</u> |
| Total Current Assets | 340,704 | 246,705 |
| FIXED ASSETS | | |
| Property and equipment | 43,567 | 28,868 |
| Less: accumulated depreciation | (<u>12,324</u>) | (<u>8,016</u>) |
| Total Fixed Assets (net) | <u>31,243</u> | <u>20,852</u> |
| TOTAL ASSETS | <u><u>\$ 371,947</u></u> | <u><u>\$ 267,557</u></u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 17,774 | \$ 18,275 |
| Accrued salaries and wages | <u>29,914</u> | <u>9,719</u> |
| Total Current Liabilities | 47,688 | 27,994 |
| NET ASSETS | | |
| Unrestricted | 188,207 | 99,208 |
| Temporarily restricted | 136,052 | 140,355 |
| Permanently restricted | <u>-</u> | <u>-</u> |
| Total Net Assets | <u>324,259</u> | <u>239,563</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 371,947</u></u> | <u><u>\$ 267,557</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, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

| SUPPORT AND REVENUE | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>2015 Total</u> | <u>2014 Total</u> |
|--|---------------------|-----------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Support | | | | | |
| Contributions | | | | | |
| Foundations and trusts | \$ 11,050 | \$ 140,500 | \$ | \$ 151,550 | \$ 167,116 |
| Individuals | 5,000 | | | 5,000 | 2,700 |
| Other | 218 | | | 218 | 792 |
| In-kind | 19,000 | | | 19,000 | 20,100 |
| Special events | 319 | | | 319 | 745 |
| Revenues | | | | | |
| Program service fees | 592,721 | | | 592,721 | 396,409 |
| Miscellaneous income | | | | - | 937 |
| Net assets released from restrictions | | | | | |
| Restrictions satisfied by payments | <u>144,803</u> | <u>(144,803)</u> | <u> </u> | <u> </u> | <u> </u> |
| Total Support, Revenues and Net Assets Released From Restrictions | 773,111 | (4,303) | | 768,808 | 588,799 |
| EXPENSES | | | | | |
| Program services | 623,904 | | | 623,904 | 445,299 |
| Management and general | 53,190 | | | 53,190 | 37,895 |
| Fundraising | 7,018 | | | 7,018 | 8,570 |
| Total Expenses | <u>684,112</u> | <u> </u> | <u> </u> | <u>684,112</u> | <u>491,764</u> |
| CHANGE IN NET ASSETS | 88,999 | (4,303) | | 84,696 | 97,035 |
| NET ASSETS - BEGINNING OF YEAR | <u>99,208</u> | <u>140,355</u> | <u> </u> | <u>239,563</u> | <u>142,528</u> |
| NET ASSETS - END OF YEAR | <u>\$ 188,207</u> | <u>\$ 136,052</u> | <u>\$</u> | <u>\$ 324,259</u> | <u>\$ 239,563</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

| SUPPORT AND REVENUE | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>2014 Total</u> |
|--|-------------------------|-----------------------------------|-----------------------------------|--------------------------|
| Support | | | | |
| Contributions | | | | |
| Foundations and trusts | \$ 5,250 | \$ 161,866 | \$ | \$ 167,116 |
| Individuals | 2,700 | | | 2,700 |
| Other | 792 | | | 792 |
| In-kind | 20,100 | | | 20,100 |
| Special events | 745 | | | 745 |
| Revenues | | | | |
| Program service fees | 396,409 | | | 396,409 |
| Miscellaneous income | 937 | | | 937 |
| Net assets released from restrictions | | | | |
| Restrictions satisfied by payments | <u>97,251</u> | <u>(97,251)</u> | | |
| Total Support, Revenues and Net Assets Released From Restrictions | 524,184 | 64,615 | | 588,799 |
| EXPENSES | | | | |
| Program services | 445,299 | | | 445,299 |
| Management and general | 37,895 | | | 37,895 |
| Fundraising | <u>8,570</u> | | | <u>8,570</u> |
| Total Expenses | <u>491,764</u> | | | <u>491,764</u> |
| CHANGE IN NET ASSETS | 32,420 | 64,615 | | 97,035 |
| NET ASSETS - BEGINNING OF YEAR | <u>66,788</u> | <u>75,740</u> | | <u>142,528</u> |
| NET ASSETS - END OF YEAR | <u><u>\$ 99,208</u></u> | <u><u>\$ 140,355</u></u> | <u><u>\$</u></u> | <u><u>\$ 239,563</u></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, 2015
(With Comparative Totals for the Year Ended December 31, 2014)

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>2015 Total Expenses</u> | <u>2014 Total Expenses</u> |
|-------------------------------------|-----------------------------|-----------------------------------|--------------------|------------------------------------|------------------------------------|
| Salaries and wages | \$ 379,267 | \$ 9,552 | \$ 5,553 | \$ 394,372 | \$ 201,096 |
| Payroll taxes | 27,985 | 578 | 425 | 28,988 | 15,638 |
| Employee benefits | | | | - | 33 |
| Total Salaries and Related Expenses | <u>407,252</u> | <u>10,130</u> | <u>5,978</u> | <u>423,360</u> | <u>216,767</u> |
| Contracted professional services | 162,344 | 28,624 | 1,040 | 192,008 | 211,773 |
| Conferences and meetings | 4,352 | 1,337 | | 5,689 | 11,248 |
| Travel and mileage | 11,730 | 85 | | 11,815 | 9,328 |
| Background checks | | | | - | 1,178 |
| Client emergency expenses | | | | - | 211 |
| Insurance | | 3,020 | | 3,020 | 2,751 |
| Office supplies | 5,218 | 4,618 | | 9,836 | 5,083 |
| Postage and shipping | 4,046 | 1,029 | | 5,075 | 102 |
| Printing and publications | | | | - | 2,161 |
| Rent (\$19,000 in-kind) | 22,500 | 2,500 | | 25,000 | 25,000 |
| Telephone | <u>2,586</u> | <u>1,416</u> | | <u>4,002</u> | <u>5,029</u> |
| Total Expenses Before Depreciation | 620,028 | 52,759 | 7,018 | 679,805 | 490,631 |
| Depreciation | <u>3,876</u> | <u>431</u> | | <u>4,307</u> | <u>1,133</u> |
| Total Expenses | <u>\$ 623,904</u> | <u>\$ 53,190</u> | <u>\$ 7,018</u> | <u>\$ 684,112</u> | <u>\$ 491,764</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

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Nature of Activities

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, 2015 and 2014 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 \$19,000 and \$20,100 for the years ended December 31, 2015 and 2014, 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. No material liability for compensated absences exists. Accordingly, no provision is necessary as of December 31, 2015 and 2014.

Functional Expenses - 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.

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.

Income Taxes - 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, 2015. 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, 2015 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 2012.

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, 2015.

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 \$122,113 and \$96,049 as of December 31, 2015 and 2014, respectively.

Grants receivable also include additional amounts of \$107,000 and \$107,500, respectively for the years ending December 31, 2015 and 2014. 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 7.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 - Property and Equipment

The components of property and equipment at December 31, 2015 and 2014 are as follows:

| | 2015 | 2014 |
|--------------------------------|-----------|-----------|
| Leasehold improvements | \$ 4,352 | \$ 4,352 |
| Equipment | 39,215 | 24,516 |
| | 43,567 | 28,868 |
| Less: accumulated depreciation | 12,324 | 8,016 |
| | \$ 31,243 | \$ 20,852 |

NOTE 6 – Leases

The Organization leases office and program space from Parkview Health Systems, Inc. Per the lease dated December 1, 2013 through November 30, 2014 and an additional amendment extending the agreement through November 30, 2018, the lease requires monthly payments of \$500 which is below the estimated fair market rental value of \$2,083 per month. The annual rental less \$500 per month payment was recognized as in-kind support and rent expense per Note 2 Donated Materials and Services.

Minimum future lease payments over the remaining lease terms are as follows:

| Year | Amount |
|------|----------|
| 2016 | \$ 6,000 |
| 2017 | 6,000 |
| 2018 | 5,500 |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 – Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

| | <u>Balance</u> <u>12/31/2014</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>12/31/2015</u> |
|---|-------------------------------------|-------------------|-------------------|-------------------------------------|
| Operating Support | | | | |
| Community Foundation of Greater FW | \$ 5,833 | \$ 15,000 | \$ 12,083 | \$ 8,750 |
| Foellinger Foundation, Inc. | 30,000 | | 15,000 | 15,000 |
| Harold and Rachel McMillen Foundation | 5,000 | | 5,000 | - |
| Eric and Mary Baade Charitable Trust | - | 5,000 | | 5,000 |
| Program Support | | | | |
| Harold P. Arnold Foundation | 1,000 | 1,000 | 1,000 | 1,000 |
| St. Joseph Community Health Foundation | 11,311 | 27,500 | 30,804 | 8,007 |
| The Lutheran Foundation | 75,000 | 92,000 | 68,705 | 98,295 |
| Project Support | | | | |
| Foellinger Foundation, Inc. | <u>12,211</u> | | <u>12,211</u> | <u>-</u> |
| Total | <u>\$ 140,355</u> | <u>\$ 140,500</u> | <u>\$ 144,803</u> | <u>\$ 136,052</u> |

NOTE 8 - Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 29, 2016, the date the financial statements were available to be issued.