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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

February 15, 2010

Board of Directors  
Child Advocacy Center of Allen County, Inc.  
800 Broadway St., Ste. 320  
Fort Wayne, IN 46802

We have reviewed the audit report prepared by Haines, Isenbarger & Skiba, LLC, Independent Public Accountants, for the period January 1, 2008 to December 31, 2008. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Child Advocacy Center of Allen County, Inc., as of December 31, 2008, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

Financial Statements

**CHILD ADVOCACY CENTER OF ALLEN COUNTY, INC.**

*Years ended December 31, 2008 and 2007  
with Report of Independent Auditors*

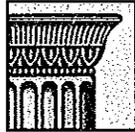
Child Advocacy Center of Allen County, Inc.

Financial Statements

Years ended December 31, 2008 and 2007

**Contents**

Report of Independent Auditors.....	1
Financial Statements	
Statements of Financial Position.....	2
Statements of Activities and Changes in Net Assets .....	3
Statements of Functional Expenses .....	4
Statements of Cash Flows.....	5
Notes to Financial Statements.....	6



HAINES, ISENBARGER & SKIBA, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

## Report of Independent Auditors

The Board of Directors  
Child Advocacy Center of Allen County, Inc.

We have audited the accompanying statements of financial position of Child Advocacy Center of Allen County, Inc. as of December 31, 2008 and 2007, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Child Advocacy Center of Allen County, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Child Advocacy Center of Allen County, Inc. at December 31, 2008 and 2007 and the results of its operations, changes in its net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

*Haines, Isenbarger & Skiba, LLC*

August 26, 2009

Child Advocacy Center of Allen County, Inc.

Statements of Financial Position

	<b>December 31</b>	
	<b>2008</b>	<b>2007</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 109,948	\$ 86,884
Grants and program service fees receivable	21,746	9,578
Prepaid expenses	-	2,947
Total current assets	<u>131,694</u>	<u>99,409</u>
Furniture and equipment	32,863	19,769
Leasehold improvements	46,824	46,824
	<u>79,687</u>	<u>66,593</u>
Less accumulated depreciation	43,233	39,888
	<u>36,454</u>	<u>26,705</u>
Total assets	<u>\$ 168,148</u>	<u>\$ 126,114</u>
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable	\$ 8,891	\$ 973
Accrued expenses	1,394	847
Total current liabilities	<u>10,285</u>	<u>1,820</u>
Net assets—unrestricted	157,863	124,294
Total liabilities and net assets	<u>\$ 168,148</u>	<u>\$ 126,114</u>

See accompanying notes.

Child Advocacy Center of Allen County, Inc.

Statements of Activities and Changes in Net Assets

	<b>Year ended December 31</b>	
	<b>2008</b>	<b>2007</b>
<b>Revenue, support, and other income</b>		
Contributions:		
Corporations and foundations	\$ 25,000	\$ 29,180
Individuals	11,100	1,562
The National Children's Alliance	10,000	10,000
	<u>46,100</u>	<u>40,742</u>
Government grants—Victims of Crime Act (VOCA) Victims Assistance Grant	34,896	34,896
Program service fees	123,947	85,910
Interest income	965	1,763
Total revenue, support, and other income	<u>205,908</u>	<u>163,311</u>
<b>Expenses</b>		
Program services	164,034	147,849
Support services and administration:		
Management and general	7,035	5,025
Fundraising	1,270	1,195
Total support services and administration	<u>8,305</u>	<u>6,220</u>
Total expenses	<u>172,339</u>	<u>154,069</u>
<b>Increase in net assets</b>	33,569	9,242
Net assets at beginning of year	124,294	115,052
Net assets at end of year	<u>\$ 157,863</u>	<u>\$ 124,294</u>

Child Advocacy Center of Allen County, Inc.

Statements of Functional Expenses

	Year ended December 31									
	2008					2007				
	Support Services and Administration		Total Support Services and Administration			Support Services and Administration		Total Support Services and Administration		
	Program Services	Management and General	Fundraising	Administration	Total Expenses	Program Services	Management and General	Fundraising	Administration	Total Expenses
Administrative agent	\$ 21,581	\$ 2,539	\$ 1,270	\$ 3,809	\$ 25,390	\$ 20,307	\$ 2,389	\$ 1,195	\$ 3,584	\$ 23,891
Bank fees	90	-	-	-	90	21	-	-	-	21
Continuing education	5,962	-	-	-	5,962	1,263	-	-	-	1,263
Contract services	43,938	-	-	-	43,938	34,666	-	-	-	34,666
Dues and subscriptions	710	-	-	-	710	605	-	-	-	605
Equipment maintenance	2,513	-	-	-	2,513	1,366	-	-	-	1,366
Equipment rental	-	-	-	-	-	2,267	-	-	-	2,267
Insurance	1,060	-	-	-	1,060	1,688	-	-	-	1,688
Meals	1,636	-	-	-	1,636	1,821	-	-	-	1,821
Miscellaneous	7	-	-	-	7	2,172	-	-	-	2,172
Occupancy	18,027	-	-	-	18,027	18,184	-	-	-	18,184
Parking	1,580	-	-	-	1,580	1,190	-	-	-	1,190
Payroll taxes	3,908	-	-	-	3,908	3,505	-	-	-	3,505
Postage and delivery	71	8	-	8	79	927	103	-	103	1,030
Printing	-	-	-	-	-	621	69	-	69	690
Professional fees	1,000	4,000	-	4,000	5,000	562	2,250	-	2,250	2,812
Salaries and wages	49,202	-	-	-	49,202	43,344	-	-	-	43,344
Supplies	4,388	488	-	488	4,876	1,930	214	-	214	2,144
Telephone	4,773	-	-	-	4,773	4,984	-	-	-	4,984
Travel	243	-	-	-	243	480	-	-	-	480
Total expenses before depreciation	160,689	7,035	1,270	8,305	168,994	141,903	5,025	1,195	6,220	148,123
Depreciation	3,345	-	-	-	3,345	5,946	-	-	-	5,946
Total expenses	\$ 164,034	\$ 7,035	\$ 1,270	\$ 8,305	\$ 172,339	\$ 147,849	\$ 5,025	\$ 1,195	\$ 6,220	\$ 154,069

See accompanying notes.

Child Advocacy Center of Allen County, Inc.

Statements of Cash Flows

	<b>Year ended December 31</b>	
	<b>2008</b>	<b>2007</b>
<b>Operating activities</b>		
Increase in net assets	\$ 33,569	\$ 9,242
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	3,345	5,946
Changes in operating assets and liabilities:		
Grants and program service fees receivable	(12,168)	29,356
Prepaid expenses	2,947	(1,447)
Accounts payable	7,918	973
Accrued expenses	547	(3,002)
Net cash provided by operating activities	<u>36,158</u>	<u>41,068</u>
<b>Investing activities</b> —purchase of furniture and equipment	<u>(13,094)</u>	-
Increase in cash and cash equivalents	23,064	41,068
Cash and cash equivalents at beginning of year	86,884	45,816
Cash and cash equivalents at end of year	<u>\$ 109,948</u>	<u>\$ 86,884</u>

See accompanying notes.

# Child Advocacy Center of Allen County, Inc.

## Notes to Financial Statements

December 31, 2008

### **1. Organization**

The mission of the Child Advocacy Center of Allen County, Inc. (CAC) is:

*To provide neutral, child-friendly, forensic interviews and inter-agency comprehensive assessments of reported child sexual abuse victims.*

The CAC is a non-profit collaborative effort of local agencies to combat the complexities of investigating child sexual abuse. The CAC provides a neutral, all-inclusive location where law enforcement, child protection service workers, forensic nurses, victim advocates and prosecutors work in cooperation to investigate allegations of child sexual abuse. The CAC stresses coordination of services by bringing together these agencies as a multi-disciplinary team to create a comprehensive, child-focused approach to cases involving child maltreatment; ensuring that the child is not re-victimized by the very system which was designed to protect them. The CAC offers consistent and compassionate support for the victims and their families.

The CAC has created the only one of its kind partnership in Allen County that works together to affect justice for these children. The Allen County Sheriff's Department, Fort Wayne Police Department, New Haven Police Department, Child Protection Services, The Fort Wayne Sexual Assault Treatment Center, Victim Assistance, SCAN (Stop Child Abuse and Neglect), and the Allen County Prosecutor's Office ensures that we will provide a non-duplicative multi-disciplinary team to comprehensively meet the needs of child sexual abuse victims.

The CAC is accredited as a Full-Member of The National Children's Alliance (NCA), which reviews and accredits child advocacy centers nationally.

The CAC is a not-for-profit organization, exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code, and qualifies for the 50 percent charitable contributions limitation. The CAC has been classified as an organization that is not a private foundation under the provisions of Section 509(a)(1) of the Internal Revenue Code.

### **2. Summary of Significant Accounting Policies**

#### **Cash and Cash Equivalents**

All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. The CAC maintains cash and savings accounts at a local bank.

Child Advocacy Center of Allen County, Inc.

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Furniture and Equipment and Leasehold Improvements**

Furniture and equipment and leasehold improvements are stated at cost or, if donated, at fair market value at date of donation, except for furniture and equipment and leasehold improvements that have been impaired. For impaired assets, the carrying amount is reduced to the estimated fair market value. There were no impaired assets as of December 31, 2008 and 2007. The cost of furniture and equipment and leasehold improvements purchased in excess of \$500 is capitalized. Depreciation is computed by the straight-line method over the following estimated useful lives:

Furniture and equipment	7 years
Leasehold improvements	15 years

Expenses for normal repairs and maintenance are charged to expense as incurred.

**Net Assets**

Net assets are allocated to and accounted for based upon the donor's intended purpose. Unrestricted net assets have no donor imposed restrictions placed upon them. The CAC has received certain net assets which have been designated by the donor for specific purposes, and these amounts are reported as temporarily or permanently restricted net assets. Temporarily restricted net assets include amounts whose use is limited by donor imposed stipulations that can be met and removed by actions of the CAC pursuant to those stipulations. Permanently restricted net assets include amounts whose use is limited by donor imposed restrictions which stipulate that resources be maintained permanently but permits the CAC to expend part or all of the income derived from the donated assets for either unrestricted or temporarily restricted purposes. As of December 31, 2008 and 2007, the CAC had no temporarily or permanently restricted net assets. Resources arising from the results of operations or assets set aside by the Board of Directors are not considered to be donor restricted.

**Contributions and Pledges Receivable**

Contributions, including gifts, grants, bequests, pledges, and other unconditional promises to give, without restrictions or stipulations are recorded as support (revenue) in the period received. Contributions are reported as temporarily restricted or permanently restricted support if they are received with donor imposed stipulations that limit their use. In the case of temporarily restricted

## Child Advocacy Center of Allen County, Inc.

### Notes to Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

##### **Contributions and Pledges Receivable (continued)**

support, when the stipulated time restriction ends or purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year the contributions are received are classified as unrestricted contributions.

Contributions of assets other than cash are recorded at their fair market value.

Contributions of services are recognized as revenue if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills and typically need to be purchased if not provided by donation. A substantial number of volunteers donate significant amounts of time in providing the CAC's services; however, because the majority of donated services do not meet accounting guidelines, only limited amounts have been reported in the financial statements.

The CAC provides an allowance for doubtful accounts which is based on historical collection experience and management's estimate of the losses that will be incurred in the collection of all receivables. As of December 31, 2008 and 2007, no allowance for doubtful accounts was deemed necessary.

##### **Government Grants**

Government grants are recognized as the CAC performs the contracted services pursuant to grant agreements. Grant revenue is recognized as earned as the eligible expenses are incurred. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required. The government grants were received from the Indiana Criminal Justice Institute pursuant to a Victims of Crime Act (VOCA) Victims Assistance Grant, which was made possible by U.S. Department of Justice, Office of Justice Programs, Office of Victims of Crime.

Child Advocacy Center of Allen County, Inc.

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Program Service Fees**

The Indiana Department of Child Services pays the CAC for case management and forensic interview services. Case management services include coordinating the scheduling and interview by being the contact person for all agencies involved, as well as the family. The CAC recognizes revenue upon delivery of these services.

**Functional Allocation of Expenses**

The cost of providing the program and other activities has been summarized on a functional basis in the accompanying statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and supporting services benefited.

**Use of Estimates**

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

**3. Commitments**

The CAC leases office space using an operating lease expiring in 2010. Future minimum payments under the noncancelable operating lease with initial terms of one year or more consisted of the following at December 31, 2008:

2009	\$ 17,364
2010	4,341
	<u>\$ 21,705</u>

Rent expense was \$18,027 in 2008 and \$18,184 in 2007.

The CAC and SCAN, Inc. entered into an agreement whereby SCAN, Inc. served as administrative/management agent for the CAC from January 1, 2007 through December 31, 2008. In conjunction with this agreement, CAC paid SCAN, Inc. \$25,390 in 2008 and \$23,891 in 2007 for general management, human resource, fiscal management, and other services. A new agreement was established for the period January 1, 2009 through December 31, 2010 whereby CAC has agreed to pay SCAN, Inc. \$24,368 per year for these services.