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October 10, 2013

Board of Directors
Our Place Drug & Alcohol Services, Inc.
400 E. Spring Street
New Albany, IN 47150

We have reviewed the audit report prepared by Monroe Shine & Co., Inc., Independent Public Accountants, for the period July 1, 2009 to June 30, 2010. 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 Our Place Drug & Alcohol Services, Inc., as of June 30, 2010 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

**OUR PLACE DRUG AND ALCOHOL
EDUCATION SERVICES, INC. -
NEW ALBANY, INDIANA**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

OUR PLACE DRUG AND ALCOHOL EDUCATION SERVICES, INC.

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MONROE SHINE

KNOWLEDGE FOR TODAY . . . VISION FOR TOMORROW

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Independent Auditor's Report

Board of Directors
**Our Place Drug and Alcohol
Education Services, Inc.**
New Albany, Indiana

We have audited the accompanying statement of financial position of **Our Place Drug and Alcohol Education Services, Inc.** (a not-for-profit organization) as of June 30, 2010 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 audit provides 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 **Our Place Drug and Alcohol Education Services, Inc.** as of June 30, 2010 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Monroe Shine

New Albany, Indiana
March 31, 2011

OUR PLACE DRUG AND ALCOHOL EDUCATION SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010

ASSETS

ASSETS	
Cash	\$ 57,306
Grants receivable	94,624
Accounts receivable	5,135
Property and equipment, net	<u>244,610</u>
TOTAL ASSETS	<u><u>\$ 401,675</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts payable	\$ 62,592
Accrued expenses	58,607
Deferred revenue	9,980
Line of credit	<u>89,746</u>
Total Liabilities	<u>220,925</u>
NET ASSETS	
Unrestricted	<u>180,750</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 401,675</u></u>

See notes to financial statements.

OUR PLACE DRUG ALCOHOL EDUCATION SERVICES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Grant income	\$ 511,629	\$ -	\$ 511,629
United Way	44,415	-	44,415
Client fees	32,870	-	32,870
Donations and fundraisers	12,962	28,505	41,467
Interest income	1,427	-	1,427
Net assets released from restrictions	28,505	(28,505)	-
Total Revenue	631,808	-	631,808
EXPENSES			
Program services	689,458	-	689,458
Management and general	59,754	-	59,754
Fundraising	10,609	-	10,609
Total Expenses	759,821	-	759,821
Decrease in Net Assets	(128,013)	-	(128,013)
Net assets, beginning of year	308,763	-	308,763
Net Assets, End of Year	\$ 180,750	\$ -	\$ 180,750

See notes to financial statements.

OUR PLACE DRUG ALCOHOL EDUCATION SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2010

	Program Services	Management and General	Fund Raising	Total
Functional expenses:				
Wages	\$ 244,393	\$ 42,122	\$ 9,073	\$ 295,588
Employee benefits	40,757	10,366	-	51,123
Payroll taxes	19,362	2,525	-	21,887
Subcontractors	150,233	-	-	150,233
Professional fees	17,651	-	-	17,651
Program expenses	86,186	-	1,241	87,427
Occupancy	13,673	1,783	-	15,456
Telephone	3,063	399	-	3,462
Office supplies and postage	19,558	-	295	19,853
Travel	11,263	-	-	11,263
Printing and publications	36,790	-	-	36,790
Staff training and development	12,804	-	-	12,804
Insurance	12,017	1,567	-	13,584
Equipment	13,421	-	-	13,421
Dues and subscriptions	847	-	-	847
Depreciation	7,440	992	-	8,432
Total Functional Expenses	\$ 689,458	\$ 59,754	\$ 10,609	\$ 759,821

See notes to financial statements.

OUR PLACE DRUG ALCOHOL EDUCATION SERVICES, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

OPERATING ACTIVITIES

Decrease in net assets	\$ (128,013)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	8,432
Increase in assets:	
Accounts receivable	(3,925)
Grants receivable	(55,612)
Increase (decrease) in liabilities:	
Accounts payable	61,020
Accrued expenses	20,357
Deferred revenue	(26,578)
Net Cash Used In Operating Activities	<u>(124,319)</u>

FINANCING ACTIVITY

Borrowings on line of credit	<u>89,746</u>
Net Decrease in Cash	(34,573)
Cash at beginning of year	<u>91,879</u>
Cash at End of Year	<u><u>\$ 57,306</u></u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash payments for:	
Interest	\$ 4,816

See notes to financial statements.

OUR PLACE DRUG AND ALCOHOL EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization

Our Place Drug and Alcohol Education Services, Inc. (the Organization) is a not-for-profit which provides programs for prevention, intervention and education services to youth and their family members who are presently or potentially at risk due to use of alcohol or other addictive chemicals in Southern Indiana and the Louisville metropolitan area.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Basis of Presentation

The Organization reports information regarding its financial position and activities in two classes of net assets: unrestricted and temporarily restricted net assets. No temporarily restricted net assets existed at June 30, 2010. The terms are defined below:

Unrestricted net assets – Net assets 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (and disclosure of contingent assets and liabilities, if any) at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributed Services

During the year ended June 30, 2010, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition.

Property and Equipment

The organization records property and equipment at cost. Depreciation is recorded on the straight line method over the estimated useful lives. Repairs and maintenance are expensed as incurred.

OUR PLACE DRUG AND ALCOHOL EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2010

(1 - continued)

Deferred Revenue

Grant revenue received in advance is deferred until the services are completed in accordance with the grant agreement.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

Revenue Recognition

The Organization receives the majority of its revenue from the Department of Mental Health/Family and Social Services Administration (FSSA). The Organization recognized income totaling \$378,929 for the year ended June 30, 2010. This amount is included as part of grant income in the Statement of Activities. Revenue from FSSA is based on a per unit payment.

(2) **ACCOUNTS RECEIVABLE**

The accounts receivable balance at June 30, 2010, totaling \$5,135, represents client fees receivable. At June 30, 2010, management deemed no allowance for uncollectible accounts was necessary.

(3) **GRANTS RECEIVABLE**

The grants receivable balance at June 30, 2010, totaling \$94,624, represents claims for services performed in accordance with grant agreements.

(4) **PROPERTY AND EQUIPMENT**

The Organization owns a building which provides space for program services as well as office staff.

A summary of property and equipment and accumulated depreciation at June 30, 2010 is as follows:

Building and improvements	\$ 255,218
Equipment	<u>5,554</u>
	260,772
Less accumulated depreciation	<u>(16,162)</u>
	<u>\$ 244,610</u>

OUR PLACE DRUG AND ALCOHOL EDUCATION SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2010

(5) DEFERRED REVENUE

The Organization receives certain grant funding in advance for services. The deferred revenue at June 30, 2010, totaling \$9,980, represents funds received before services performed within the grant cycle.

(6) LINE OF CREDIT

The Organization has a revolving line of credit with Your Community Bank secured by a mortgage on the Organization's building in the amount of \$150,000. The interest rate charged on the line of credit was 6.00% at June 30, 2010. At June 30, 2010, the Company had borrowings of \$89,746 on the line of credit. The balance at March 31, 2011 was \$61,014.

(7) PENSION EXPENSE

The Organization has a Simplified Employee Pension Plan, which covers all employees who meet certain eligibility requirements. The contribution rate, which is established by the Board of Directors each year, was 10% for the year ended June 30, 2010. Total pension expense under this Plan was \$20,669 for the year ended June 30, 2010. These amounts are included in total employee benefits in the statements of activities.

(8) CONTINGENCY AND GRANT CONTRACT

The Organization is substantially funded by grants and contracts awarded directly and indirectly by the federal government and the State of Indiana. The agreements contain provisions which permit the arrangements to be terminated or the funds provided to be reduced if the unit of government does not appropriate any or adequate funds to maintain the current funding levels or if levels decline.

The Organization has been awarded an additional contract from the Indiana Family and Social Services Administration, the Division of Mental Health and Addiction through June 30, 2012.

(9) SUBRECIPIENT

The Organization has entered into contracts with various subrecipients to provide services. The total amount paid to subcontractors for these services was \$150,233 for the year ended June 30, 2010.

(10) SUBSEQUENT EVENTS

The Organization has evaluated whether any subsequent events that require recognition or disclosure in the accompanying financial statements and related notes thereto have taken place through March 31, 2011, the date these financial statements were issued. The Organization has determined that there are no such subsequent events.