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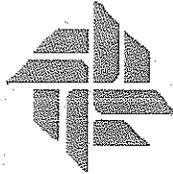
October 13, 2016

Board of Directors  
Center for Community Justice, Inc.  
121 S. Third St.  
Elkhart, IN 46516

We have reviewed the audit report prepared by Cornerstone CPA Group, LLP, for the period July 1, 2014 to June 30, 2015. 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 Center for Community Justice, Inc., as of June 30, 2015, 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.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner



**CENTER FOR  
COMMUNITY  
JUSTICE, INC.**

**FINANCIAL STATEMENTS  
JUNE 30, 2015**

**CENTER FOR COMMUNITY JUSTICE, INC.**

**Elkhart, Indiana**

**JUNE 30, 2015**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
**CENTER FOR COMMUNITY JUSTICE, INC.**  
Elkhart, Indiana

We have audited the accompanying financial statements of **CENTER FOR COMMUNITY JUSTICE, INC.** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year 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 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 **CENTER FOR COMMUNITY JUSTICE, INC.** as of June 30, 2015, 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.

***Report on Summarized Comparative Information***

We have previously audited the **CENTER FOR COMMUNITY JUSTICE, INC.'S** June 30, 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Matter***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Cornerstone CPA Group, LLP*

CORNERSTONE CPA GROUP, LLP

Certified Public Accountants

Elkhart, Indiana

November 9, 2015

**CENTER FOR COMMUNITY JUSTICE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2015 and 2014**

	2015	2014
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$119,480	\$ 137,354
Investments	8,117	8,135
Prepaid Expenses	4,426	6,093
Grants Receivable	11,058	12,433
Other Receivables	14,548	9,805
Total Current Assets	<u>157,629</u>	<u>173,820</u>
<b>PROPERTY &amp; EQUIPMENT</b>		
Land	31,000	31,000
Building and Improvements	225,650	225,650
Vehicle	11,902	11,902
Office Furniture and Equipment	91,782	98,602
Total	360,334	367,154
Accumulated Depreciation	<u>(270,195)</u>	<u>(268,631)</u>
Net Property & Equipment	<u>90,139</u>	<u>98,523</u>
<b>TOTAL ASSETS</b>	<u>\$247,768</u>	<u>\$ 272,343</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 3,881	\$ 375
Funds Held for Others	7,472	4,886
Salaries, Wages and Other Related Payables	6,291	8,279
Total Current Liabilities	<u>17,644</u>	<u>13,540</u>
<b>NET ASSETS</b>		
Unrestricted	229,240	253,396
Temporarily Restricted	884	5,407
Total Net Assets	<u>230,124</u>	<u>258,803</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$247,768</u>	<u>\$ 272,343</u>

The accompanying notes are an integral part of these financial statements.  
(See Independent Auditor's Report)

**CENTER FOR COMMUNITY JUSTICE, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Year Ended June 30, 2015**  
**(With Summarized Totals For the Year Ended June 30, 2014)**

		2015	Combined	2014
	Unrestricted	Temporarily Restricted	Total	Summarized Total
<b>SUPPORT AND REVENUE</b>				
Local Funding and Grants	\$ 75,787	\$ 181,935	\$ 257,722	\$ 248,033
Program Fees	72,011		72,011	97,033
Local Contributions	22,075	25,572	47,647	29,738
Building Lease Income	10,200		10,200	10,200
Investment Income	182		182	1,311
Subtotal	<u>180,255</u>	<u>207,507</u>	<u>387,762</u>	<u>386,315</u>
Net Assets Released From Restrictions	<u>212,030</u>	<u>(212,030)</u>		
Total Support and Revenue	<u>392,285</u>	<u>(4,523)</u>	<u>387,762</u>	<u>386,315</u>
 <b>EXPENSES</b>				
Program Services	326,624		326,624	293,216
Management and General	71,440		71,440	88,890
Fund Raising	<u>18,377</u>		<u>18,377</u>	<u>14,971</u>
Total Expenses	<u>416,441</u>		<u>416,441</u>	<u>397,077</u>
 <b>CHANGE IN NET ASSETS</b>	 (24,156)	 (4,523)	 (28,679)	 (10,762)
 <b>NET ASSETS - Beginning of Year</b>	 <u>253,396</u>	 <u>5,407</u>	 <u>258,803</u>	 <u>269,565</u>
 <b>NET ASSETS - End of Year</b>	 <u>\$ 229,240</u>	 <u>\$ 884</u>	 <u>\$ 230,124</u>	 <u>\$ 258,803</u>

The accompanying notes are an integral part of these financial statements.  
(See Independent Auditor's Report)

**CENTER FOR COMMUNITY JUSTICE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2015 and 2014**

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (28,679)	\$ (10,762)
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:		
Depreciation	8,383	8,091
Unrealized and Realized Loss/(Gain) on Investments	18	(1,011)
(Increase)/Decrease in Operating Assets		
Prepaid Expenses	1,667	(940)
Grants Receivable	1,375	8,695
Other Receivables	(4,743)	(32)
Increase/(Decrease) in Operating Liabilities		
Accounts Payable	3,506	(125)
Funds Held for Others	2,586	(8,523)
Salaries, Wages and Other Related Payables	(1,987)	3,516
<b>Net Cash (Used) by Operating Activities</b>	<u>(17,874)</u>	<u>(1,091)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	<u>                    </u>	<u>(8,302)</u>
<b>Net Cash (Used) by Investing Activities</b>	<u>                    </u>	<u>(8,302)</u>
 <b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>	 (17,874)	 (9,393)
 <b>CASH &amp; CASH EQUIVALENTS - Beginning of Year</b>	 <u>137,354</u>	 <u>146,747</u>
 <b>CASH &amp; CASH EQUIVALENTS - End of Year</b>	 <u>\$ 119,480</u>	 <u>\$ 137,354</u>

The accompanying notes are an integral part of these financial statements.  
(See Independent Auditor's Report)

**CENTER FOR COMMUNITY JUSTICE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature Of Organization** – Center for Community Justice, Inc. (Center) was organized in 1984 and serves Elkhart County by providing programs, based on the principles of Restorative Justice, which strengthen community safety, provide support and compensation for victims, aid in the restoration of offenders, and promote reconciliation among victims, offenders and the community.

**Basis of Accounting** – The financial statements of Center for Community Justice, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities 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. Significant estimates include the allocation of functional expenses.

**Cash and Cash Equivalents** – Cash and cash equivalents consist of bank deposits in accounts that are either interest-bearing and federally insured up to \$250,000, or non-interest bearing and fully guaranteed by the federal government. At times these amounts may exceed federally insured limits. Additionally, for purposes of the statements of cash flows, the Center considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

**Investments** – Investments consist of funds held by the Elkhart County Community Foundation as an endowment on behalf of the Center.

**Grants Receivable** – The Center receives some grants for reimbursement of expenses incurred. A receivable for the reimbursement of allowable program expenditures due from grantors has been recorded at June 30, 2015 and 2014. In addition, grants awarded that are unconditional non-reciprocal promises to transfer assets over a specified period have been recorded as revenue and grants receivable according to the date on the grant document. No allowance for uncollectible grants has been recorded since management believes all amounts are collectible.

**Other Receivables** – The other receivables balance is made up of receivables related to the community service restitution program (CSR) and other miscellaneous contracts. The Center periodically reviews receivables for collectability. Management believes all receivables are collectible therefore no allowance is deemed necessary.

**CENTER FOR COMMUNITY JUSTICE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment** – Property and equipment is recorded at cost if purchased, and at fair market value if contributed, at the date of purchase/donation. Major additions and improvements are capitalized, while maintenance and repairs are expensed as incurred. The cost of assets retired or otherwise disposed of, and the related accumulated depreciation are eliminated from the accounts in the year of disposal with any resulting gain or loss reflected in earnings. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of equipment are recorded as unrestricted support.

The Center computes depreciation using the straight-line method over the expected life of each asset as follows:

Building and Improvements:	15 – 30 Years
Vehicle:	3.5 Years
Office Furniture and Equipment:	3 – 7 Years

Depreciation expense for the years ended June 30, 2015 and 2014 was \$8,383 and \$9,587 respectively.

**Net Assets** – The Center reports its activities and financial position by the following classes of net assets:

*Unrestricted – Undesignated:* Represents assets in excess of liabilities presently available for use by the Center at the discretion of the Board of Directors.

*Temporarily Restricted Net Assets:* This category of net assets represents the part of the net assets of the Center resulting from contributions and other inflows of assets whose use by the Center is limited by donor-imposed stipulations that either expire by the passage of time or by actions of the Center.

*Permanently Restricted Net Assets:* This category of net assets represents the part of the net assets of the Center resulting from contributions and other inflows of assets whose use by the Center is limited by donor-imposed restrictions that stipulate that resources be maintained permanently, but permits the Center to use up or expend part or all of the income derived from the donated assets.

**CENTER FOR COMMUNITY JUSTICE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets Released From Restriction** – Net assets are released from restriction by incurring expenses satisfying the restricted purpose or by occurrence of other events. Net assets released from restriction consist primarily of expenses incurred for grant programs and other restricted purposes, as well as the receipt of grant monies during the fiscal year which were previously recorded on the accrual basis.

**Revenue Recognition** – Revenue from all sources is recorded in the period earned.

**Contributions** – The Center records contributions received and unconditional promises to give as unrestricted, temporarily restricted or permanently restricted support depending on the existence of donor restrictions and the nature of restrictions, if they exist. Contributions received are considered to be available for unrestricted use unless specifically restricted by the donor.

**Functional Expenses** – The costs of providing the programs and supporting services have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on management's best estimates.

**Income Tax Status** – The Center is exempt from federal and state income taxes pursuant to provisions of Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and qualifies for the 50% charitable contributions deduction for individual donors. Therefore, no income taxes are reflected in the accompanying financial statements.

**Uncertain Tax Positions** – In accordance with FASB ASC 740-10-*Income Taxes*, the Organization reviews its tax positions on an annual basis and does not take any position resulting in a deduction that, in their evaluation, will not be completely sustained under an audit by the applicable governing body. The organization is no longer subject to United States federal and state income tax examinations for the years prior to 2011, for jurisdictions in which it files tax returns.

**Advertising Costs** – The Center expenses all advertising costs as incurred.

**Date of Management's Review** – The Center has evaluated subsequent events for potential recognition and/or disclosure through November 9, 2015, the date the financial statements were available to be issued.

**Comparative Amounts** – The comparative totals shown as of and for the year ended June 30, 2014 in the accompanying financial statements are included to provide a basis for comparison with 2015 and are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles.

**CENTER FOR COMMUNITY JUSTICE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE 2 – LINE OF CREDIT**

At June 30, 2015 and 2014, the Center has a \$50,000 line of credit agreement with a bank with an interest rate of 1.0% over prime rate from the bank's prime rate "index". There were no outstanding balances on this line at June 30, 2015 and 2014. The Center provided its receivables, equipment and general assets as collateral.

**NOTE 3 – FUNDS HELD FOR OTHERS AND REMISSION OF PROGRAM FEES**

Funds held for others include certain transactions that are considered to be agency transactions and are not included in the Statement of Activities of the Center. As of June 30, 2015 and 2014 the balances of the funds held for others also includes \$7,472 and \$4,886, respectively, for restitution payments from offenders to victims which pass through the Center in order to maintain a record for the Victim Offender Restitution Contract (VORP) program in Elkhart County. The VORP program is required and does have a separate bank account for this activity.

**NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the purpose of operating community-based services for victims, offenders and the community at June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Temporarily Restricted Net Assets:		
Elkhart County – Victim Impact	\$ -0-	\$ 1,375
Contributions – Bob Peters Internship Fund	884	551
Contributions – Transitional Coaching	<u>-0-</u>	<u>3,481</u>
Total	<u>\$ 884</u>	<u>\$ 5,407</u>

**CENTER FOR COMMUNITY JUSTICE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE 5 – FAIR VALUE MEASUREMENTS**

Accounting Standards Codification (ASC) Section 820, *Fair Value Measurements and Disclosures*, defines fair value as an exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the entity's principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level 1 includes listed equities and listed derivatives.
- Level 2: Pricing inputs are other than quoted prices in active markets of comparable instruments, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.
- Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments that are included in this category generally include equity and debt positions in private companies.

Following is a description of the valuation methodology used for the assets measured at fair value. There have been no changes in the methodologies used at June 30, 2015 and 2014.

Level 3 – Investments at Elkhart County Community Foundation were recorded at fair value based on the Foundation's year-end investment statement.

The Center's investments at fair value, within the fair value hierarchy, are as follows as of June 30, 2015 and 2014:

	<u>Fair Value</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Investments at Elkhart County Community Foundation:				
June 30, 2015	<u>\$8,117</u>			<u>\$8,117</u>
June 30, 2014	<u>\$8,135</u>			<u>\$8,135</u>

**CENTER FOR COMMUNITY JUSTICE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE 5 – FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table is the reconciliation of Investments at Elkhart County Community Foundation for the years ended June 30, 2015 and June 30, 2014.

	<u>2015</u>	<u>2014</u>
Balance Beginning of Year	\$ 8,135	\$ 7,124
Increase/(Decrease) in Value Included in Net Assets	(18)	1,011
New Contribution/(Distribution of Residuum)	<u>-0-</u>	<u>-0-</u>
Balance Ending of Year	<u>\$ 8,117</u>	<u>\$ 8,135</u>

**NOTE 6 – RETIREMENT PLAN**

The Center has a SEP IRA retirement plan. The Center did not make an employer contribution for the years ended June 30, 2015 and 2014.

**NOTE 7 – ELKHART COUNTY COMMUNITY FOUNDATION**

The Elkhart County Community Foundation, Inc. (the Foundation) holds a fund named the Center for Community Justice Fund (the Fund). The purpose of the Fund is to further the charitable purposes of the Center. A portion of the Fund is a permanent endowment fund whereby the principal is held and controlled by the Foundation and investment income of the Fund is distributed to the Center at the discretion of the Foundation. The other portion of the Fund is a board designated asset.

At June 30, 2015 and 2014, the board designated balance of the Fund, which is reflected as an asset of the Center in accordance with accounting principles generally accepted in the United States, approximated \$8,117 and \$8,135, respectively, at market value. The total balance of the Fund, which includes original contribution, market growth and additional public contributions, approximated \$10,987 as of June 30, 2015 and \$10,429 as of June 30, 2014. The Center received \$-0- from the Fund in 2015 and 2014.

**NOTE 8 – BUILDING LEASE INCOME**

The Center leased a portion of its building to two other non-profit organizations under month by month leases. The leases are \$400 and \$450 per month and both were for the entire year ended June 30, 2015. During the years ended June 30, 2015 and 2014, building lease income was \$10,200 each year.

**CENTER FOR COMMUNITY JUSTICE, INC.**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE I - STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2015**  
**(With Summarized Totals For the Year Ended June 30, 2014)**

	2015			2014	
	Program Services	Management and General	Fund Raising	Total	Total
<b>Direct Program Costs</b>					
Transitional Coaching Program	\$ 100			\$ 100	\$ 308
Thinking for Change Program	6,007			6,007	3,263
Mediation Training	14			14	89
Community Service Program	1,493			1,493	1,247
Reading For Life	3,921			3,921	10,000
Victim Impact	3,016			3,016	2,798
Total Direct Program Costs	14,551			14,551	17,705
<b>Salaries &amp; Related Expenses</b>					
Salaries	242,942	\$ 21,911	\$ 12,453	277,306	249,161
Payroll Taxes	17,562	1,723	987	20,272	18,149
Insurance	30,922	946	1,201	33,069	27,011
Staff Development	275	1,145	100	1,520	529
Temporary Help	800	400.00		1,200	12,583
Total Salaries & Related Exp.	292,501	26,125	14,741	333,367	307,433
<b>Occupancy</b>					
Telephone & Utilities	3,827	3,724		7,551	7,671
Repairs & Maintenance	159	5,087		5,246	5,485
Total Occupancy	3,986	8,811		12,797	13,156
<b>General &amp; Administrative</b>					
Travel & Meals	1,008	1,077	57	2,142	5,563
Office Supplies & Postage	4,064	4,910	800	9,774	10,211
Dues & Subscriptions	125	488		613	817
Fund Raising			2,525	2,525	510
Professional Fees	1,501	11,330		12,831	17,275
Printing		211	254	465	400
Insurance	8,010	4,748		12,758	12,335
Advertising	380	2,754		3,134	64
Payroll Processing Charges	327	1,738		2,065	2,103
Board Expenses					609
Miscellaneous	171	865		1,036	805
Total General & Administrative	15,586	28,121	3,636	47,343	50,692
Depreciation		8,383		8,383	8,091
Total Functional Expenses	\$ 326,624	\$ 71,440	\$ 18,377	\$ 416,441	\$ 397,077

The accompanying notes are an integral part of these financial statements.  
(See Independent Auditor's Report)