



STATE OF INDIANA
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August 25, 2017

Board of Directors
East Allen Family Resource Center, Inc.
610 Professional Park Dr.
New Haven, IN 46774

We have reviewed the audit report prepared by Katz, Sapper & Miller, LLP, for the period January 1, 2015 to December 31, 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 East Allen Family Resource Center, Inc., as of December 31, 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

EAST ALLEN FAMILY RESOURCE CENTER, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

December 31, 2015

EAST ALLEN FAMILY RESOURCE CENTER, INC.

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Independent Auditors' Report

Board of Directors
East Allen Family Resource Center, Inc.

We have audited the accompanying financial statements of East Allen Family Resource Center, Inc., which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, 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.

Auditors' 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 and the *Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources*, issued by the Indiana State Board of Accounts. 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 auditors' 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 auditors consider 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 East Allen Family Resource Center, Inc. as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Katz, Sapper & Miller, LLP

Fort Wayne, Indiana
January 25, 2017

EAST ALLEN FAMILY RESOURCE CENTER, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2015

ASSETS

CURRENT ASSETS

Cash	\$ 66,949
Prepaid insurance	<u>1,532</u>
Total Current Assets	<u>68,481</u>

FURNITURE AND EQUIPMENT

Furniture and equipment	20,218
Less: Accumulated depreciation	<u>(19,278)</u>
Total Furniture and Equipment	<u>940</u>

TOTAL ASSETS

\$ 69,421

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued wages and vacation	\$ 1,860
Payroll withholdings	<u>4,348</u>
Total Current Liabilities	<u>6,208</u>

NET ASSETS

Unrestricted	<u>63,213</u>
Total Net Assets	<u>63,213</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 69,421

See accompanying notes.

EAST ALLEN FAMILY RESOURCE CENTER, INC.

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

SUPPORT AND REVENUE

Government grants	\$ 261,694
Contracted services	63,692
Program fees	70,466
Grants	14,000
Contributions	550
Interest income	74
Total Support and Revenue	<u>410,476</u>

EXPENSES

Program	323,985
Management and general	56,044
Fundraising	1,316
Total Expenses	<u>381,345</u>

CHANGE IN NET ASSETS

29,131

UNRESTRICTED NET ASSETS

Beginning of Year	<u>34,082</u>
End of Year	<u>\$ 63,213</u>

See accompanying notes.

EAST ALLEN FAMILY RESOURCE CENTER, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2015**

	Program	Management and General	Fundraising	Total
Salaries and wages	\$ 171,427	\$ 20,225	\$ 963	\$ 192,615
Payroll taxes	14,374	1,696	81	16,151
Employee benefits	34,222	4,037	192	38,451
Total Personnel Expense	<u>220,023</u>	<u>25,958</u>	<u>1,236</u>	<u>247,217</u>
Insurance		5,767		5,767
Occupancy		7,436		7,436
Office expense	2,737	6,384		9,121
Professional fees	46,900	4,950		51,850
Program expense	24,243			24,243
Repairs and maintenance	188	3,139		3,327
Supplies	14,298	1,687	80	16,065
Transportation	15,596			15,596
Depreciation		723		723
Total Functional Expenses	<u>\$ 323,985</u>	<u>\$ 56,044</u>	<u>\$ 1,316</u>	<u>\$ 381,345</u>

See accompanying notes.

EAST ALLEN FAMILY RESOURCE CENTER, INC.

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015

OPERATING ACTIVITIES

Increase in net assets	\$ 29,131
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation expense	723
(Increase) decrease in certain current assets:	
Receivables	5,125
Prepaid insurance	(1,532)
Increase (decrease) in certain current liabilities:	
Accounts payable	(3,046)
Payroll withholdings	570
Net Cash Provided by Operating Activities	<u>30,971</u>

NET INCREASE IN CASH

30,971

CASH

Beginning of Year	<u>35,978</u>
End of Year	<u><u>\$ 66,949</u></u>

See accompanying notes.

EAST ALLEN FAMILY RESOURCE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS December 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: East Allen Family Resource Center, Inc. (the Center) is an Indiana non-for-profit corporation which was formed in 1980. The Center's mission is to be a quality resource for children, families and the community promoting personal, social and educational development for a lifetime. The Center's major programs focus on engaging kids in meaningful activities to provide them with opportunities to learn social skills and become problem solvers and wise decision makers. The Center receives its support from government grants, foundation grants and program fees for services provided to local schools and the community.

Basis of Presentation: The financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America and classify the Center's activities and net assets based on the existence or absence of donor-imposed restrictions. Accordingly, the Center's net assets and changes therein are classified and reported as follows:

- **Unrestricted Net Assets** represent unrestricted resources available to support the Center's operations.
- **Temporarily Restricted Net Assets** represent gifts that are subject to donor-imposed purpose or time restrictions that can be fulfilled either by actions of the Center pursuant to those restrictions, with the passage of time, or both. Upon satisfaction of such restrictions, net assets are released from temporarily restricted net assets and recognized as unrestricted net assets. The Center had no temporarily restricted net assets at December 31, 2015.
- **Permanently Restricted Net Assets** represent gifts with donor-imposed restrictions that the original gift amounts be maintained in perpetuity as an endowment. The Center had no permanently restricted net assets at December 31, 2015.

Estimates: The preparation of financial statements in accordance 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 disclosures of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash consists of cash on hand or in demand deposit accounts. The Center maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. The Center has not experienced any losses from its bank accounts.

Furniture and Equipment: Expenditures for furniture and equipment are stated at cost for purchased assets, or at fair value at the date of donation for donated assets, less accumulated depreciation. Depreciation of furniture and equipment is provided on a straight-line basis over the estimated useful lives of 5-10 years

Contributions and Grants are recognized as support and revenues when they are received or unconditionally pledged. The Center reports such gifts as restricted support and revenues if they are subject to time or donor-imposed restrictions. Conditional contributions are not recorded as support and revenues until the conditions are met. Government contracts are classified as exchange transactions, which are reciprocal transfers between two entities in which goods and services of equal value are exchanged, and are not recognized until services are performed or allowable expenditures are incurred as specified in the contracts. Government contracts and certain other grants are subject to audit by the government or granting agency, and as a result of such audit, adjustments to revenue and support could be required.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Fees are recognized in support and revenues as services are provided on a weekly basis for the Center's after school and summer programs.

Contracted Services are recognized in support and revenue by the Center as services are provided and submitted for reimbursement to a third party on a monthly basis.

In-kind Contributions: Contributions of services are recorded at estimated fair value when received if such services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. Contributions of food, equipment, and other goods are recorded at estimated fair value when received.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Directly identifiable expenses are charged to the specific programs and supporting services benefited. Expenses related to more than one function are allocated among program and support services based on space occupied, time spent by Center staff, or other estimates made by the Center's management. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Center.

Income Taxes: The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision or liability for income taxes has been included in the financial statements. In addition, the Center has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the year ended December 31, 2015.

The Center files U.S. federal and Indiana information tax returns. The Center is no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2012.

Subsequent Events: Management has evaluated the financial statements for subsequent events occurring through January 25, 2017, the date the financial statements were available to be issued.

NOTE 2 - OPERATING LEASES

The Center has an operating lease for office equipment that expires in September 2018. The lease agreement requires monthly payments of \$72. Lease expense amounted to \$864 in 2015.

At December 31, 2015, the future minimum lease payments required by the lease were as follows:

Payable In	Lease Payments
2016	\$ 864
2017	864
2018	<u>648</u>
	<u>\$2,376</u>

The Center also leases office space for \$525 per month. The lease renews each March unless cancelled by either the landlord or tenant.

NOTE 3 - CONCENTRATIONS OF FUNDING

The Center received approximately 59% of its revenue from the 21st Century Community Learning Center Grant. Any reduction in the funds received from this grant could have a significant effect on the Center's operations.

NOTE 4 - GOVERNMENT FUNDING

The Center received the following government funds for the year ended December 31, 2015:

Program Name: 21st Century Community Learning Centers Program Grant
Government Agency: Indiana Department of Education
CFDA: 84.287
Amounts received: \$240,513
Amounts disbursed: \$240,513
Source: Federal Grant Passed through State or Local Government

Program Name: Summer Food Service Program Grant
Government Agency: Indiana Department of Education
CFDA: 10.559
Amounts received: \$9,346
Amounts disbursed: \$9,346
Source: Federal Grant Passed through State or Local Government

Program Name: Child and Adult Food Care Service Program Grant
Government Agency: Indiana Department of Education
CFDA: 10.558
Amounts received: \$11,835
Amounts disbursed: \$11,835
Source: Federal Grant Passed through State or Local Government