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January 5, 2018

Board of Directors  
Allen County Drug and Alcohol Consortium, Inc.  
532 West Jefferson Boulevard  
Fort Wayne, IN 46802

We have reviewed the report prepared by Allen County Drug and Alcohol Consortium, Inc. and opined upon by Dulin, Ward & DeWald, Inc., Independent Public Accountants, for the period January 1, 2015 to December 31, 2015. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Allen County Drug and Alcohol Consortium, 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.

In our opinion, Dulin, Ward & DeWald, Inc. prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

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

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

**ALLEN COUNTY DRUG AND  
ALCOHOL CONSORTIUM, INC.**

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2015**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Allen County Drug and Alcohol Consortium, Inc.  
Fort Wayne, Indiana

We have audited the accompanying financial statements of Allen County Drug and Alcohol Consortium, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 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 controls 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. 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 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 misstatements 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.

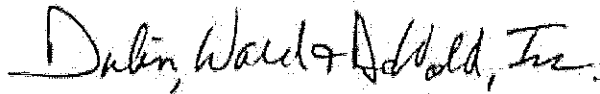
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allen County Drug and Alcohol Consortium, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses and government funds received on pages 10 and 11 are presented for purposes of additional analysis is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates 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.



Fort Wayne, Indiana  
September 29, 2016

**ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2015

**ASSETS**

Cash and cash equivalents	\$ 187,470
Grants receivable	18,060
Prepaid expenses	2,646
Fixed assets - net	<u>27,023</u>
<b>Total Assets</b>	<b><u><u>\$ 235,199</u></u></b>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 3,521
Agency funds payable	23,333
Accrued payroll and related expenses	<u>2,630</u>
<b>Total Liabilities</b>	<b>29,484</b>
Net Assets:	
Unrestricted	151,770
Temporarily restricted	<u>53,945</u>
<b>Total Net Assets</b>	<b><u>205,715</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u><u>\$ 235,199</u></u></b>

The accompanying notes are an integral part of these financial statements.

**ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
<b>CHANGE IN NET ASSETS</b>			
<b>Support and Revenues:</b>			
Grants and contributions	\$ 399	\$ 6,845	\$ 7,244
Government grants	145,443	57,120	202,563
In-kind contributions	6,334	-	6,334
Investment income	18	-	18
Other income	5,955	-	5,955
<b>Net Assets Released From Restrictions:</b>			
Satisfaction of purpose requirements	49,455	(49,455)	-
	<hr/>	<hr/>	<hr/>
<b>Total Support and Revenues</b>	207,604	14,510	222,114
<b>Expenses:</b>			
Intervention	82,133	-	82,133
Prevention	77,135	-	77,135
Collaboration	57,261	-	57,261
Management and general	79,222	-	79,222
	<hr/>	<hr/>	<hr/>
<b>Total Expenses</b>	295,751	-	295,751
<b>CHANGE IN NET ASSETS</b>	(88,147)	14,510	(73,637)
<b>NET ASSETS - January 1, 2015 - as previously reported</b>	245,838	39,435	293,142
<b>PRIOR PERIOD ADJUSTMENT</b>	(5,921)	-	(5,921)
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS - January 1, 2015 - as restated</b>	239,917	39,435	279,352
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS - December 31, 2015</b>	<u>\$ 151,770</u>	<u>\$ 53,945</u>	<u>\$ 205,715</u>

The accompanying notes are an integral part of these financial statements.

**ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.**  
**STATEMENT OF CASH FLOWS**  
Year Ended December 31, 2015

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (73,637)
Adjustments to reconcile change in net assets to cash flows from operating activities:	
Depreciation	6,650
Changes in assets and liabilities:	
(Increase) decrease in:	
Grants receivable	(1,000)
Prepaid expenses	741
Increase (decrease) in:	
Accounts payable	920
Agency funds payable	8,516
Accrued payroll and related expenses	<u>(5,222)</u>
 <b>Cash Flows From Operating Activities</b>	 <u>(63,032)</u>
 <b>INCREASE (DECREASE) IN CASH</b>	 <u>(63,032)</u>
 <b>CASH AND CASH EQUIVALENTS -</b> January 1, 2015	 <u>250,502</u>
 <b>CASH AND CASH EQUIVALENTS -</b> December 31, 2015	 <u><u>\$ 187,470</u></u>

The accompanying notes are an integral part of these financial statements.

**ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2015

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Allen County Drug and Alcohol Consortium, Inc. (Organization) provides an effective network to coordinate resources and efforts to reduce and erase alcohol, tobacco, and other drug (ATOD) abuse and problems that it brings to the community in Allen County, Indiana. Its vision is to provide a centralized intelligence, communication and coordination of diverse resources and effort to mobilize family and/or other personal support systems to prevent and alleviate ATOD abuse.

The Organization's activities include:

Drug-Free Indiana – as one of 92 county-based coordinating councils defined by statute in Indiana, the Organization submits an annual comprehensive plan and is approved by the State to receive county-based funds in order to focus on intervention, prevention and law enforcement.

Strengthening Families Program – through a grant from the State Division of Mental Health and Addictions (DMHA), the Organization implements an evidence based prevention curriculum for targeted high risk families in Allen County.

Wake Forest Social Hosting Project – the Organization is participating in a research study hosted by Wake Forest University on passing social hosting ordinances in different communities.

**Income Taxes**

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the 50% charitable contributions deduction limitation. The Organization has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

**Estimates**

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

(continued)

## 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

### **Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

### **Fixed Assets**

Fixed assets are stated at cost or, if donated, at fair value at the date of the gift. Items with a cost or value of \$5,000 or more and a useful life of one year or more are capitalized. The Organization follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets. It is not the Organization's policy to imply time restrictions expiring over the useful life of donated assets. In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as unrestricted support.

### **Receivables**

Grants receivable are due from government and other significant funding sources. The Organization provides an allowance for uncollectible accounts, if deemed necessary, which is based upon historical collection experience and management's estimates of the losses that will be incurred in the collection of all receivables.

### **Public Support and Revenue**

All contributions are considered to be available for the general programs of the Organization unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated asset. When donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions are recorded in the temporarily restricted class for restrictions expiring during the fiscal year, and then reclassified to the unrestricted class.

### **In-kind Contributions**

In-kind contributions of facilities, services, equipment and supplies are recognized as support and expense or property and equipment and are recorded at market value as of the date received.

### **Subsequent Events**

Management has evaluated subsequent events through September 29, 2016, the date which the financial statements were available for issue.

**2. FIXED ASSETS**

Fixed assets consist of the following:

Equipment	\$ 16,738
Leasehold improvements	<u>70,466</u>
	87,204
Less accumulated depreciation	<u>60,181</u>
	<u>\$ 27,023</u>

**3. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are restricted for the following purposes:

Drug Free Indiana	\$ 48,274
Wake Forest implementation	271
ICAN mini grant - 2016 school year	<u>5,400</u>
	<u>\$ 53,945</u>

**4. IN-KIND CONTRIBUTIONS**

The Organization recognized contribution revenue for certain services received at the fair value of those services. Those services include the following:

Management and general:	
Professional fees	\$ 6,334

**5. ADVERTISING**

Advertising costs are charged to operations when incurred. The cost of advertising charged to operations was \$775 in 2015.

**6. OPERATING LEASES**

The Organization leases its operating facility under an operating lease that expires July 2017. The lease agreement calls for monthly lease payments of \$1,633 plus CAM charges. Total rental expense under the noncancelable lease for 2015 was \$17,813. Minimum future rental payments under the noncancelable operating lease as of December 31, 2015 for each of the next five years and in the aggregate are as follows:

2016	\$	19,596
2017		11,431
2018 and thereafter		<u>-</u>
Total lease commitments	\$	<u>31,027</u>

**7. CONCENTRATIONS**

The Organization receives substantial support from government sources. A significant reduction in the level of this support, if it were to occur, could have an effect on the Organization's future programs and activities.

**8. PRIOR PERIOD ADJUSTMENT**

Net assets at January 1, 2015 have been restated to correct an error in the calculation of accrued compensation in the prior year. Had the error not been made, the change in net assets for 2014 would have decreased \$5,921.

**ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2015

	Program Services			Management and General	Total
	Intervention	Prevention	Collaboration		
Salaries	\$ 25,245	\$ 25,245	\$ 26,008	\$ 45,343	\$ 121,841
Payroll taxes	<u>2,752</u>	<u>2,751</u>	<u>2,833</u>	<u>4,832</u>	<u>13,168</u>
<b>Total Salaries and Related Expenses</b>	27,997	27,996	28,841	50,175	135,009
Professional fees	129	24,434	12,589	23,591	60,743
Program expense	41,656	6,745	-	-	48,401
Occupancy	6,681	6,683	6,887	1,719	21,970
Office supplies	819	4,879	2,953	797	9,448
Travel	904	1,781	1,592	263	4,540
Telephone	1,043	1,043	1,073	558	3,717
Insurance	727	727	749	1,184	3,387
Advertising	-	512	263	-	775
Training	152	310	227	72	761
Information technology	-	-	-	190	190
Bank charges	-	-	-	140	140
Miscellaneous	<u>3</u>	<u>2</u>	<u>2</u>	<u>13</u>	<u>20</u>
<b>Total Expenses Before Depreciation</b>	80,111	75,112	55,176	78,702	289,101
Depreciation	<u>2,022</u>	<u>2,023</u>	<u>2,085</u>	<u>520</u>	<u>6,650</u>
<b>Total Expenses</b>	<u><u>\$ 82,133</u></u>	<u><u>\$ 77,135</u></u>	<u><u>\$ 57,261</u></u>	<u><u>\$ 79,222</u></u>	<u><u>\$ 295,751</u></u>

See independent auditors' report.

**ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.**  
**SCHEDULE OF GOVERNMENT FUNDS RECEIVED**  
Year Ended December 31, 2015

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Revenue Recognized</b>
U.S. Department of Health and Human Services: Passed through Indiana Family and Social Services Administration: Block Grants for Prevention and Treatment of Substance Abuse	93.959	\$ 114,390
Allen County Auditor - Drug Free Indiana	n/a	<u>88,173</u>
<b>Total Government Funds Received</b>		<u><u>\$ 202,563</u></u>

See independent auditors' report.