



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B49389

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

January 22, 2018

Board of Directors
LaPorte County Drug Free Partnership, Inc.
P.O. Box 8570
Michigan City, IN 46361

We have reviewed the report prepared by LaPorte County Drug Free Partnership, Inc. and opined upon by Applegate & Company, PC, Independent Public Accountants, for the period January 1, 2015 to December 31, 2015. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of LaPorte County Drug Free Partnership, 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, Applegate & Company, PC 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.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

LAPORTE COUNTY DRUG
FREE PARTNERSHIP, INC.
LaPorte, Indiana

ANNUAL REPORT
December 31, 2015

CONTENTS

<u>REPORT OF INDEPENDENT AUDITORS ON FINANCIAL STATEMENTS</u>	1
 <u>FINANCIAL STATEMENTS</u>	
Statements of Activities	3
Statements of Financial Position	4
Statements of Cash Flows	5
Notes to the Financial Statements	6
 <u>REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION</u>	
Schedules of Program Expenses	11

1421 South Woodland Avenue
Michigan City, Indiana 46360
(219) 871-7880
FAX (219) 879-0135
E-mail: admin@applecpa.com

Paul E. Applegate, CPA
John E. Applegate, PA
(1928-1993)
Blake E. Applegate, CPA
Megan M. Applegate, CPA
Ronald J. Delco, CPA
Charles C. Fox, CPA
Jason M. Nichols, CPA
Brenda K. Novak, CPA

Independent Auditor's Report

**Board of Directors
LaPorte County Drug Free Partnership, Inc.
Michigan City, Indiana**

We have audited the accompanying financial statements of LaPorte County Drug Free Partnership, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits 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 LaPorte County Drug Free Partnership, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


APPLEGATE & COMPANY
Certified Public Accountants

Michigan City, Indiana
October 28, 2016

LAPORTE COUNTY DRUG FREE PARTNERSHIP, INC.

STATEMENTS OF ACTIVITIES

For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>UNRESTRICTED NET ASSETS</u>		
LaPorte County Local Coordinating Council Grant	\$ 13,838	\$ 27,819
Department of Health and Human Services Grant	123,967	111,949
Department of Family and Social Services Grant	139,605	151,304
Other grants	4,717	2,348
Contributions	847	
Interest income	12	11
Miscellaneous	<u>84</u>	<u>500</u>
Total support	283,070	293,931
<u>PROGRAM EXPENSES</u>	<u>242,759</u>	<u>302,154</u>
<u>CHANGE IN NET ASSETS</u>	40,311	(8,223)
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>3,662</u>	<u>11,885</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 43,973</u>	<u>\$ 3,662</u>

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

LAPORTE COUNTY DRUG FREE PARTNERSHIP, INC.

STATEMENTS OF FINANCIAL POSITION

For the years ended December 31, 2015 and 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
<u>CURRENT ASSETS</u>		
Cash	\$43,114	\$19,501
Grant receivable	21,000	
Prepaid insurance	293	246
Other prepaid expense	<u>3,390</u>	
Total current assets	<u>67,797</u>	<u>19,747</u>
<u>PROPERTY AND EQUIPMENT</u>		
Office furniture and equipment	4,338	2,861
Less accumulated depreciation	<u>(2,760)</u>	<u>(2,149)</u>
Net property and equipment	<u>1,578</u>	<u>712</u>
Total assets	<u>\$69,375</u>	<u>\$20,459</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 3,008	\$16,797
Other payable - FSSA	<u>22,394</u>	
Total liabilities	<u>25,402</u>	<u>16,797</u>
<u>NET ASSETS</u>		
Unrestricted	<u>43,973</u>	<u>3,662</u>
Total net assets	<u>43,973</u>	<u>3,662</u>
Total liabilities and net assets	<u>\$69,375</u>	<u>\$20,459</u>

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

LAPORTE COUNTY DRUG FREE PARTNERSHIP, INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$40,311	\$(8,223)
Adjustments to reconcile change in net assets to net cash provided by/(applied to) operating activities:		
Depreciation	611	501
Increase in current assets	(24,437)	(138)
Increase in current liabilities	<u>8,605</u>	<u>3,840</u>
Cash provided by/(applied to) operating activities	<u>25,090</u>	<u>(4,020)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of fixed assets	<u>(1,477)</u>	<u> </u>
Cash applied to investing activities	<u>(1,477)</u>	<u> </u>
NET INCREASE/(DECREASE) IN CASH	23,613	(4,020)
CASH AT BEGINNING OF YEAR	<u>19,501</u>	<u>23,521</u>
CASH AT END OF YEAR	<u>\$43,114</u>	<u>\$19,501</u>

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

LAPORTE COUNTY DRUG FREE PARTNERSHIP, INC.

NOTES TO THE FINANCIAL STATEMENTS

For the years ended December 31, 2015 and 2014

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ORGANIZATION - LaPorte County Drug Free Partnership, Inc. is a tax-exempt, not-for-profit organization under Internal Revenue Code Section 501(c)(3).

ORGANIZATIONAL MISSION STATEMENT - To bring together individuals, organizations, and agencies both public and private, who seek to provide optimal resources for the combating of alcohol, tobacco and other drug abuse in LaPorte County, which includes specific focus on binge drinking, prescription drug abuse, marijuana usage, and youth prevention efforts.

FINANCIAL STATEMENT PRESENTATION - The financial statements are presented on the accrual basis of accounting. The Organization uses Accounting Standards Codification, "Financial Statements of Not-for-Profit Organizations." The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Also, the Organization uses, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions. Such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon

- Continued -

LAPORTE COUNTY DRUG FREE PARTNERSHIP, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the years ended December 31, 2015 and 2014

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

expiration of the purpose restriction. Restricted support is reported as unrestricted, if the restrictions are met in the same reporting period when received.

USE OF ESTIMATES - The preparation of the 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 the disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

CASH EQUIVALENTS - All highly liquid investments with a maturity of ninety days or less when purchased are considered cash equivalents and are reflected as cash in the statement of cash flows.

PROPERTY AND EQUIPMENT AND DEPRECIATION - Property and equipment are recorded at cost or, if donated, at the fair market value on the date of the gift. Major improvements and renewals are capitalized while ordinary maintenance and repairs are expensed. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. For the years ended December 31, 2015 and 2014, depreciation totaled \$611 and \$501, respectively.

- Continued -

LAPORTE COUNTY DRUG FREE PARTNERSHIP, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the years ended December 31, 2015 and 2014

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

INCOME TAXES - LaPorte County Drug Free Partnership, Inc. is exempt from tax on income under Section 501(c)(3) of the Internal Revenue Code and similar code sections for the State of Indiana. Therefore, these statements do not include any provision for income taxes.

The Financial Accounting Standards Board (FASB) issued Accounting Standards Codification, "Accounting for Uncertainty in Income Taxes," that clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Organization's income tax returns. The Organization has adopted the Standard and evaluates all significant tax positions as required by generally accepted accounting principles in the United States. As of December 31, 2015, the Organization does not believe that it has taken any tax positions that would require the recording of any tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Organization's income tax returns are subject to examination by the appropriate taxing jurisdictions and the open tax years are 2012-2015.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances at Horizon Bank. The balance is insured by the Federal Deposit Insurance Corporation up to

- Continued -

LAPORTE COUNTY DRUG FREE PARTNERSHIP, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the years ended December 31, 2015 and 2014

NOTE 2 - CONCENTRATIONS OF CREDIT RISK (Continued)

\$250,000. At December 31, 2015 and 2014, the Organization's uninsured cash balance totaled \$-0- and \$-0-, respectively.

For the years ended December 31, 2015 and 2014, the Organization received approximately 44% and 38% of its unrestricted support from the Department of Health and Human Services, and 49% and 51% from the Department of Family and Social Services, respectively.

NOTE 3 - SUBSEQUENT EVENTS

As of October 28, 2016, the date the financial statements were available to be issued, no subsequent events were noted.

1421 South Woodland Avenue
Michigan City, Indiana 46360
(219) 871-7880
FAX (219) 879-0135
E-mail: admin@applec.pa.com

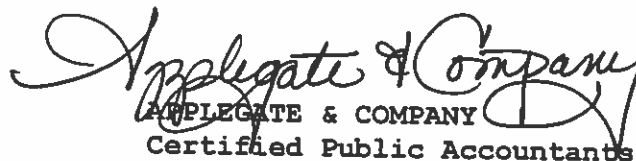
Paul E. Applegate, CPA
John E. Applegate, PA
(1920-1993)
Blake E. Applegate, CPA
Megan M. Applegate, CPA
Ronald J. Delco, CPA
Charles C. Fox, CPA
Jason M. Nichols, CPA
Brenda K. Novak, CPA

Independent Auditors' Report
On Supplementary Information

Board of Directors
LaPorte County Drug Free Partnership, Inc.
Michigan City, Indiana

We have audited the financial statements of LaPorte County Drug Free Partnership, Inc. as of and for the years ended December 31, 2015 and 2014, and have issued our report thereon dated October 28, 2016, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole.

The schedules of program expenses are presented for the purposes of additional analysis and are 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.


APPLEGATE & COMPANY
Certified Public Accountants

Michigan City, Indiana
October 28, 2016

LAPORTE COUNTY DRUG FREE PARTNERSHIP, INC.

SCHEDULES OF PROGRAM EXPENSES

For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Subcontractors	\$149,676	\$179,100
Marketing	7,786	9,960
Professional fees	18,230	18,672
Lead and Seed	4,500	2,914
Office supplies	6,197	2,225
Telephone	1,770	1,600
Internet Services - Website Hosting	138	1,023
Postage	131	16
Depreciation	611	501
Travel and auto	11,149	4,039
Training	17,088	1,500
Meeting expenses	7,387	4,696
Insurance	1,548	344
Miscellaneous	598	8,566
Epiphany Community Services expense	12,250	10,750
Community Forums expense		5,915
Strengthening Families expense	2,420	39,648
CADCA expenses	<u>1,280</u>	<u>10,685</u>
Total program expenses	<u>\$242,759</u>	<u>\$302,154</u>

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