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January 29, 2018

Board of Directors  
Allen County Drug and Alcohol Consortium, Inc.  
532 West Jefferson Blvd.  
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, 2016 to December 31, 2016. 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, 2016 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, CPA  
State Examiner

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

**FINANCIAL STATEMENTS**

**Year Ended December 31, 2016  
With Summarized Information for 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, 2016, 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 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**

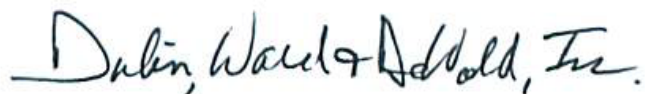
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allen County Drug and Alcohol Consortium, Inc. as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Allen County Drug and Alcohol Consortium, Inc.'s 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 29, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of government funds received on page 11 is 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  
August 11, 2017

**ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2016 with Summarized  
Information for December 31, 2015

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 120,593	\$ 187,470
Grants receivable	60,500	18,060
Prepaid expenses	3,284	2,646
Fixed assets - net	20,856	27,023
<b>Total Assets</b>	<b>\$ 205,233</b>	<b>\$ 235,199</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 5,382	\$ 3,521
Agency funds payable	14,305	23,333
Accrued payroll and related expenses	7,966	2,630
<b>Total Liabilities</b>	27,653	29,484
Net Assets:		
Unrestricted	118,278	151,770
Temporarily restricted	59,302	53,945
<b>Total Net Assets</b>	<b>177,580</b>	<b>205,715</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 205,233</b>	<b>\$ 235,199</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, 2016 with Summarized  
Information for the Year Ended December 31, 2015

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>2016 Total</b>	<b>2015 Total</b>
<b>CHANGE IN NET ASSETS</b>				
<b>Support and Revenues:</b>				
Grants and contributions	\$ 200	\$ 18,614	\$ 18,814	\$ 7,244
Government grants	204,490	52,538	257,028	202,563
In-kind contributions	9,157	-	9,157	6,334
Investment income	16	-	16	18
Other income	3,649	-	3,649	5,955
<b>Net Assets Released From Restrictions:</b>				
Satisfaction of purpose requirements	<u>65,795</u>	<u>(65,795)</u>	<u>-</u>	<u>-</u>
<b>Total Support and Revenues</b>	<b>283,307</b>	<b>5,357</b>	<b>288,664</b>	<b>222,114</b>
<b>Expenses:</b>				
Intervention	85,820	-	85,820	82,133
Prevention	83,035	-	83,035	77,135
Collaboration	62,678	-	62,678	57,261
Management and general	<u>85,266</u>	<u>-</u>	<u>85,266</u>	<u>79,222</u>
<b>Total Expenses</b>	<b><u>316,799</u></b>	<b><u>-</u></b>	<b><u>316,799</u></b>	<b><u>295,751</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>(33,492)</b>	<b>5,357</b>	<b>(28,135)</b>	<b>(73,637)</b>
<b>NET ASSETS - beginning of year</b>	<b><u>151,770</u></b>	<b><u>53,945</u></b>	<b><u>205,715</u></b>	<b><u>279,352</u></b>
<b>NET ASSETS - end of year</b>	<b><u>\$ 118,278</u></b>	<b><u>\$ 59,302</u></b>	<b><u>\$ 177,580</u></b>	<b><u>\$ 205,715</u></b>

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

**ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2016 with Summarized  
Information for the Year Ended December 31, 2015

	<b>Program Services</b>				<b>2016 Total</b>	<b>2015 Total</b>
	<b>Intervention</b>	<b>Prevention</b>	<b>Collaboration</b>	<b>Management and General</b>		
Salaries	\$ 25,210	\$ 25,209	\$ 25,972	\$ 49,421	\$ 125,812	\$ 121,841
Payroll taxes	2,273	2,273	2,341	4,338	11,225	13,168
<b>Total Salaries and Related Expenses</b>	27,483	27,482	28,313	53,759	137,037	135,009
Program expense	41,180	6,894	-	-	48,074	48,401
Professional fees	-	12,707	6,545	23,232	42,484	60,743
Occupancy	7,417	7,418	7,643	1,096	23,574	21,970
Public service announcements	-	13,827	7,123	-	20,950	775
Office supplies	3,737	7,014	5,547	1,173	17,471	9,448
Travel	801	2,494	2,154	364	5,813	4,540
Training	1,858	1,857	1,912	120	5,747	761
Insurance	724	722	744	1,178	3,368	3,387
Information technology	-	-	-	3,319	3,319	190
Telephone	680	679	698	363	2,420	3,717
Miscellaneous	-	-	-	335	335	20
Bank charges	-	-	-	40	40	140
<b>Total Expenses Before Depreciation</b>	83,880	81,094	60,679	84,979	310,632	289,101
Depreciation	1,940	1,941	1,999	287	6,167	6,650
<b>Total Expenses</b>	<u>\$ 85,820</u>	<u>\$ 83,035</u>	<u>\$ 62,678</u>	<u>\$ 85,266</u>	<u>\$ 316,799</u>	<u>\$ 295,751</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, 2016 with Summarized  
Information for the Year Ended December 31, 2015

	<b>2016</b>	<b>2015</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (28,135)	\$ (73,637)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	6,167	6,650
Changes in assets and liabilities:		
(Increase) decrease in:		
Grants receivable	(42,440)	(1,000)
Prepaid expenses	(638)	741
Increase (decrease) in:		
Accounts payable	1,861	920
Agency funds payable	(9,028)	8,516
Accrued payroll and related expenses	5,336	(5,222)
	<b>(66,877)</b>	<b>(63,032)</b>
<b>Cash Flows From Operating Activities</b>	<b>(66,877)</b>	<b>(63,032)</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(66,877)</b>	<b>(63,032)</b>
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<b>187,470</b>	<b>250,502</b>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<b>\$ 120,593</b>	<b>\$ 187,470</b>

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

**ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2016

**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 August 11, 2017, the date which the financial statements were available for issue.

**2. GRANTS RECEIVABLE**

All grants receivable are due within one year.

**3. FIXED ASSETS**

Fixed assets consist of the following:

	<b>2016</b>	<b>2015</b>
Equipment	\$ 16,738	\$ 16,738
Leasehold improvements	<u>70,466</u>	<u>70,466</u>
	87,204	87,204
Less accumulated depreciation	<u>66,348</u>	<u>60,181</u>
	<u>\$ 20,856</u>	<u>\$ 27,023</u>

**4. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are restricted for the following purposes:

	<b>2016</b>	<b>2015</b>
Drug Free Indiana	\$ 51,752	\$ 48,274
Wake Forest Implementation	-	271
Mini grants – 2016-2017 school year	<u>7,550</u>	<u>5,400</u>
	<u>\$ 59,302</u>	<u>\$ 53,945</u>

**5. IN-KIND CONTRIBUTIONS**

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

	<b>2016</b>	<b>2015</b>
Management and general:		
Professional fees	\$ 9,157	\$ 6,334

**6. ADVERTISING**

Advertising costs are charged to operations when incurred. Advertising consists of public service announcements using different forms of media. The cost of advertising charged to operations was \$20,950 in 2016 and \$775 in 2015.

**7. 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 was \$19,596 for 2016 and \$17,813 for 2015. Minimum future rental payments under the noncancelable operating lease as of December 31, 2016 for each of the next five years and in the aggregate are as follows:

2017	\$ 11,431
2018	-
2019 and thereafter	<u>-</u>
Total lease commitments	<u>\$ 11,431</u>

**8. 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.

**9. COMMITMENTS**

The Organization has entered into a commitment for \$2,200 with an unrelated party for website development. Payment on this commitment as of December 31, 2016 totaled \$1,100.

**ALLEN COUNTY DRUG AND ALCOHOL CONSORTIUM, INC.**  
**SCHEDULE OF GOVERNMENT FUNDS RECEIVED**  
Year Ended December 31, 2016

<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	\$ 179,945
Allen County Auditor - Drug Free Indiana	n/a	<u>77,083</u>
<b>Total Government Funds Received</b>		<u><u>\$ 257,028</u></u>

See independent auditors' report.