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May 22, 2018


Board of Directors  
North Central Indiana Rural Crisis Center, Inc.  
P.O. Box 212  
Rensselaer, IN 47978

We have reviewed the report prepared by North Central Indiana Rural Crisis Center, Inc. and opined upon by Huth Thompson LLP, Independent Public Accountants, for the period January 1, 2016 to December 31, 2016. Per the *Independent Auditor's Report*, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements included in the report present fairly the financial condition of North Central Indiana Rural Crisis Center, 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.

We call your attention to the Basis for Qualified Opinion in the audit report.

In our opinion, Huth Thompson LLP 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

*Financial Statements*

**NORTH CENTRAL INDIANA  
RURAL CRISIS CENTER, INC.**

**DECEMBER 31, 2016 AND 2015**

**NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
North Central Indiana Rural Crisis Center, Inc.  
Rensselaer, Indiana

We have audited the accompanying financial statements of North Central Indiana Rural Crisis Center, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets--modified cash basis as of December 31, 2016 and 2015, and the related statements of support, revenue, expenses and changes in net assets--modified cash basis and the statements of functional expenses--modified cash basis 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 the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 Organization'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 on the Organization'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.

## INDEPENDENT AUDITOR'S REPORT--CONTINUED

### Basis for Qualified Opinion

Because of the inadequacies in the Organization's internal controls and lack of segregation of duties surrounding the cash receipt process, we were unable to obtain sufficient appropriate audit evidence about the amounts recognized for Contributions and consequently, for Temporarily and Permanently Restricted Net Assets for the year ended December 31, 2016. We were unable to determine whether any adjustments to those amounts were necessary.

### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the statements of assets, liabilities, and net assets--modified cash basis of North Central Indiana Rural Crisis Center, Inc. as of December 31, 2016 and 2015, and its support, revenue, and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

### Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Huth Thompson LLP*

March 20, 2017  
Lafayette, Indiana

**NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.**

**STATEMENTS OF ASSETS, LIABILITIES AND  
NET ASSETS--MODIFIED CASH BASIS  
As of December 31,**

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 15,677	\$ 36,589
<b>PROPERTY AND EQUIPMENT</b>		
Buildings and Improvements	262,188	262,888
Furniture and Equipment	27,008	27,008
Vehicles	27,885	27,885
	317,081	317,781
Accumulated Depreciation	(274,093)	(269,387)
	42,988	48,394
	\$ 58,665	\$ 84,983
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Payroll Liabilities	\$ 7,985	\$ -
Employee Loans	251	-
<b>TOTAL CURRENT LIABILITIES</b>	8,236	-
<b>NET ASSETS</b>		
Unrestricted, Undesignated	47,779	62,333
Temporarily Restricted	2,650	22,650
	50,429	84,983
	\$ 58,665	\$ 84,983

See Notes to Financial Statements.

**NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.**

**STATEMENTS OF SUPPORT, REVENUE, EXPENSES AND  
CHANGES IN NET ASSETS--MODIFIED CASH BASIS  
For Years Ended December 31,**

	COMBINED TOTALS		UNRESTRICTED		TEMPORARILY RESTRICTED	
	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>						
Contributions	\$ 19,441	\$ 7,013	\$ 19,441	\$ 7,013	\$ -	\$ -
In-Kind Contributions	10,934	7,559	10,934	7,559	-	-
Grants--Governmental Agencies	227,465	225,207	227,465	225,207	-	-
Special Events	17,873	26,950	17,873	26,950	-	-
Insurance Reimbursements	8,116	-	8,116	-	-	-
Other Income	-	130	-	130	-	-
Interest	-	124	-	124	-	-
	283,829	266,983	283,829	266,983	-	-
Net Assets Released from Restrictions	-	-	20,000	30,000	(20,000)	(30,000)
	283,829	266,983	303,829	296,983	(20,000)	(30,000)
<b>EXPENSES</b>						
Program Services	238,411	221,468	238,411	221,468	-	-
Management and General	63,453	65,484	63,453	65,484	-	-
Fundraising	24,487	25,069	24,487	25,069	-	-
	326,351	312,021	326,351	312,021	-	-
(DECREASE) IN NET ASSETS BEFORE RECOVERIES	(42,522)	(45,038)	(22,522)	(15,038)	(20,000)	(30,000)
RECOVERIES	7,968	3,000	7,968	3,000	-	-
(DECREASE) IN NET ASSETS	(34,554)	(42,038)	(14,554)	(12,038)	(20,000)	(30,000)
NET ASSETS--Beginning of Year	84,983	127,021	62,333	74,371	22,650	52,650
NET ASSETS--End of Year	\$ 50,429	\$ 84,983	\$ 47,779	\$ 62,333	\$ 2,650	\$ 22,650

See Notes to Financial Statements.

**NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES--MODIFIED CASH BASIS**  
**For Years Ended December 31,**

	COMBINED TOTALS		PROGRAM SERVICES		MANAGEMENT AND GENERAL		FUNDRAISING	
	2016	2015	2016	2015	2016	2015	2016	2015
Salaries	\$ 202,677	\$ 186,267	\$ 142,681	\$ 127,550	\$ 38,562	\$ 36,855	\$ 21,434	\$ 21,862
Payroll Taxes	15,486	14,657	10,563	9,467	3,044	3,275	1,879	1,915
Employee Benefits	179	428	143	340	31	62	5	26
Utilities and Telephone	9,586	9,556	8,627	8,600	959	956	-	-
Repairs and Maintenance	13,131	3,531	11,818	3,178	1,313	353	-	-
Household Supplies and Groceries	1,918	3,865	1,918	3,865	-	-	-	-
In-Kind Program Supplies	10,934	7,559	10,934	7,559	-	-	-	-
Client Expenses	9,666	7,040	9,666	7,040	-	-	-	-
Office Supplies	2,936	4,377	-	-	2,936	4,377	-	-
Office Equipment and Repairs	829	-	-	-	829	-	-	-
Travel and Mileage	19	315	19	315	-	-	-	-
Vehicle Expenses	591	1,319	591	1,319	-	-	-	-
Seminars and Education	1,968	2,264	1,968	2,264	-	-	-	-
Dues and Publications	693	756	-	-	693	756	-	-
Program Supplies	13	20	13	20	-	-	-	-
Advertising	533	1,292	-	-	533	1,292	-	-
Insurance	15,329	14,532	15,329	14,532	-	-	-	-
Professional Fees	12,580	16,957	-	-	12,580	16,957	-	-
Depreciation	5,195	6,020	4,675	5,419	520	601	-	-
Interest	381	-	-	-	381	-	-	-
Miscellaneous	862	-	-	-	862	-	-	-
Special Events	1,169	1,266	-	-	-	-	1,169	1,266
Program Expenses	19,466	30,000	19,466	30,000	-	-	-	-
Loss on Sale of Assets	210	-	-	-	210	-	-	-
	<u>\$ 326,351</u>	<u>\$ 312,021</u>	<u>\$ 238,411</u>	<u>\$ 221,468</u>	<u>\$ 63,453</u>	<u>\$ 65,484</u>	<u>\$ 24,487</u>	<u>\$ 25,069</u>

See Notes to Financial Statements.

**NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2016 and 2015**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of North Central Indiana Rural Crisis Center, Inc.'s significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

- A) **Nature of Operations**--North Central Indiana Rural Crisis Center, Inc. (the Organization) was formed on February 3, 1986 as a not-for-profit corporation located in Rensselaer, Indiana. The Organization provides temporary shelter and counseling for victims of domestic violence in Newton, Jasper, Pulaski, and surrounding counties in Indiana.
- B) **Basis of Accounting**--The Organization's policy is to prepare its financial statements on the modified cash basis of accounting. Consequently, certain revenue is recognized when received rather than when earned and certain expenses and purchases of assets are recognized when the cash is disbursed rather than when the obligation is incurred. Depreciation is calculated on capital assets.
- C) **Use of Estimates**--The preparation of financial statements in conformity with the modified cash basis of accounting requires the Organization to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.
- D) **Property and Equipment**--Property and equipment are recorded at cost. If donated, the cost is the fair market value at the date of receipt. Assets over \$1,000 will be considered for capitalization based upon their expected length of service. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using straight-line and accelerated methods. Maintenance, repairs, and minor renewals are charged to operations as incurred. Improvements and major renewals are capitalized. Upon sale or disposition of properties, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale. Any resultant gain or loss is credited or charged to operations. Depreciation expense was \$5,195 and \$6,020 for the years ended December 31, 2016 and 2015, respectively.

**NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2016 and 2015**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**E) Net Assets--In accordance with FASB Accounting Standards Codification, the net assets of the Organization are reported in each of the following three classes:**

- (1) *Unrestricted Net Assets*--Net assets that are not subject to donor-imposed stipulations.**
- (2) *Temporarily Restricted Net Assets*--Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time.**
- (3) *Permanently Restricted Net Assets*--Net assets subject to donor-imposed stipulations that the assets be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.**

All donor-restricted contributions are recorded as increases in temporarily or permanently restricted net assets, depending on the restriction. When a 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 support, revenue, and expenses and changes in net assets--modified cash basis as net assets released from restrictions. Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise stipulated by the donor.

**F) Income Taxes--The Organization is a not-for-profit Corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision is made for federal and state income taxes on the Organization's exempt activities. However, if the Organization conducts certain unrelated business activities that do not relate to the exempt purpose of the Organization, those activities will be subject to unrelated business income tax.**

**NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2016 and 2015**

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

F) **Income Taxes (Continued)**--The Organization adopted the provisions of accounting for uncertain tax positions under FASB Accounting Standards Codification. These provisions prescribe a recognition threshold of more-likely-than-not, and a measurement attribute for all tax positions taken or expected to be taken on a tax return, in order for those tax positions to be recognized in the financial statements. The adoption of these provisions resulted in no change to the Organization's retained earnings. As of December 31, 2016 and 2015, the Organization reports no uncertain tax positions and therefore has not recorded any unrecognized tax benefits or liabilities.

As of December 31, 2016, tax returns for calendar years 2013 through 2016 remain subject to examination by the Internal Revenue Service and various state and local tax jurisdictions.

G) **Advertising**--The Organization expenses advertising costs as incurred. During 2016 and 2015, advertising costs totaled \$533 and \$1,292, respectively.

H) **Donated Goods and Services**--The Organization records various types of in-kind support including property and equipment, professional services, and materials. Property and equipment donated are capitalized on the basis explained above. Contributed professional services are recognized if the services either create or enhance long-lived assets, or require specialized skills and would typically need to be purchased if not provided by the donation. Contributions of supplies and materials are recognized at fair market value when received. In-kind contributions for the years ended December 31, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Program Supplies	<u>\$ 10,934</u>	<u>\$ 7,559</u>

The Organization also receives significant donations of time from volunteers that do not meet the two recognized criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the financial statements.

**NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2016 and 2015**

**NOTE 2: RESTRICTED NET ASSETS**

Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other assets are legally unrestricted and are reported as part of the unrestricted class. The Organization received \$2,650 in temporarily restricted funds during 2013 for the purpose of funding an Educational Learning Center consisting of a computer system, an iPad, and other technology. These funds were unexpended as of December 31, 2016. In addition, during 2014 the Organization received \$50,000 in temporarily restricted funds for the purpose of funding a program for the Primary Prevention of Domestic Violence and Sexual Assault with a crisis intervention advocate, of which \$0- and \$20,000 remained unexpended as of December 31, 2016 and 2015, respectively. As of December 31, 2016 and 2015, all temporarily restricted funds are included in cash.

**NOTE 3: FUNCTIONAL ALLOCATION OF EXPENSES**

The major program the Organization operates is providing temporary shelter and counseling for victims of domestic violence in several counties in Indiana. For the years ended December 31, 2016 and 2015, the Organization's program expenses totaled \$238,411 and \$221,468, respectively. For the purposes of the statements of functional expenses, the Organization allocated major expenses by the following percentages for the years ended December 31, 2016 and 2015. All other costs are directly charged to the appropriate functional classification.

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>
<b>Salaries, Payroll Taxes and Benefits--</b>			
Executive Director	55%	20%	25%
Assistant Executive Director	0%	50%	50%
Client Advocate	80%	20%	0%
Other Employees	90%	10%	0%
Utilities	90%	10%	0%
Repairs & Maintenance	90%	10%	0%
Depreciation	90%	10%	0%

**NOTE 4: ECONOMIC DEPENDENCE**

The Organization is economically dependent on the contracts from the Indiana Criminal Justice Institute (ICJI). For the years ended December 31, 2016 and 2015, the Organization received 47% and 58%, respectively, of its total revenue from ICJI.

**NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2016 and 2015**

**NOTE 5: UNAUTHORIZED DISBURSEMENTS AND CLAIMS FOR MISREPRESENTED PURPOSES**

In September 2012, the Organization discovered a prior Executive Director had made unauthorized disbursements. That prior Executive Director resigned immediately and an internal investigation was conducted to determine the financial impact as a result of the unauthorized disbursements.

During 2015, the Organization received \$3,000 in recovered funds from that prior Executive Director, paid through the Jasper Circuit Court. In February 2016, the Organization received a final recovery check in the amount of \$7,967 for a total restitution, as ordered by the Court and including amounts already paid, of \$26,319.

**NOTE 6: SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through March 20, 2017, the date which the financial statements were available to be issued.



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## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors  
North Central Indiana Rural Crisis Center, Inc.  
Rensselaer, Indiana

We have audited the financial statements of North Central Indiana Rural Crisis Center, Inc. as of and for the years ended December 31, 2016 and 2015, and have issued our report thereon dated March 20, 2017, which contained a modified (2016) and unmodified (2015) opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The following schedule is presented for the purpose 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 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 audits 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.

*Huth Thompson LLP*

**March 20, 2017**  
Lafayette, Indiana

**NORTH CENTRAL INDIANA RURAL CRISIS CENTER, INC.**

**SCHEDULES OF GRANTS--GOVERNMENTAL AGENCIES--  
MODIFIED CASH BASIS**

**For Years Ended December 31,**

**(See Independent Auditor's Report on Supplementary Information)**

	<u>2016</u>	<u>2015</u>
Federal Emergency Management Association	\$ 513	\$ 1,039
Social Services Block Grant	14,384	14,384
Domestic Violence Prevention and Treatment	58,130	79,195
Family Violence and Prevention Services	22,450	35,800
Victims Of Crime Act	27,412	20,824
Emergency Shelter Grant	24,228	22,732
Sexual Offense Services	5,282	6,000
Sexual Assault Victim Assistance Fund	8,583	-
Counties--		
Jasper	28,083	27,233
Newton	28,400	-
Pulaski	<u>10,000</u>	<u>18,000</u>
	<u>\$ 227,465</u>	<u>\$ 225,207</u>