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June 6, 2018

Board of Directors
Children's Advocacy Center of Southeastern Indiana, Inc.
12211 Rullman Drive
Dillsboro, IN 47018

We have reviewed the report prepared by Children's Advocacy Center of Southeastern Indiana, Inc. and opined upon by Collins Heeb & Associates, Inc., Independent Public Accountants, for the period January 1, 2016 to December 31, 2016. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Children's Advocacy Center of Southeastern Indiana, 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, Collins Heeb & Associates, 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

**CHILDREN'S ADVOCACY CENTER OF
SOUTHEASTERN INDIANA, INC.**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2016 AND 2015

**COLLINS HEEB & ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS**

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COLLINS HEEB & ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS

4903 VINE STREET
CINCINNATI, OH 45217-1252

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Children's Advocacy Center of Southeastern Indiana, Inc.
Dillsboro, Indiana

Report on the Financial Statements

We have audited the accompanying Statements of Financial Position of Children's Advocacy Center of Southeastern Indiana, Inc. (an Indiana not-for-profit organization) at December 31, 2016 and 2015, and the related Statements of Activities, Cash Flows and Functional Expenses 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 the financial statements that are free from material misstatements, 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 misstatements.

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 Children's Advocacy Center of Southeastern Indiana, Inc. at December 31, 2016 and 2015, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2017 on our consideration of Children's Advocacy Center of Southeastern Indiana, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Children's Advocacy Center of Southeastern Indiana, Inc.'s internal control over financial reporting and compliance.

Collins Heeb & Associates, Inc.

June 20, 2017

CHILDREN'S ADVOCACY CENTER OF SOUTHEASTERN INDIANA, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Current assets:		
Cash in bank:		
Operating – 0.15%	\$ 16,209	\$ 25,438
Savings – 0.19%	48,549	118,068
Fund raising	27,396	36,742
Certificate of deposit – 1%	85,000	-
Accounts receivable	<u>40,867</u>	<u>13,766</u>
Total current assets	218,021	194,014
Property and equipment, at cost:		
Land	35,000	35,000
Building and improvements	505,529	505,528
Furniture and fixtures	12,136	10,944
Equipment	137,328	112,982
Leasehold improvements	<u>4,187</u>	<u>4,188</u>
	694,180	668,642
Less accumulated depreciation	<u>188,633</u>	<u>160,588</u>
Property and equipment – net	505,547	508,054
	<u>723,568</u>	<u>702,068</u>
	=====	=====
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable – trade	\$ 15,747	\$ 26,327
Accrued payroll taxes	<u>3,166</u>	<u>2,137</u>
Total current liabilities	18,913	28,464
Net assets:		
Unrestricted	<u>704,655</u>	<u>673,604</u>
	\$723,568	\$702,068
	=====	=====

See accompanying notes.

CHILDREN'S ADVOCACY CENTER OF SOUTHEASTERN INDIANA, INC.

STATEMENTS OF ACTIVITIES

Years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenue and public support:		
Grants	\$217,817	\$105,884
Child Services interview fees	90,215	82,596
Contributions – General	<u>14,300</u>	<u>5,631</u>
	322,332	194,111
Special events:		
Mardi Gras	<u>112,166</u>	<u>99,403</u>
	112,166	99,403
	<hr/>	<hr/>
Total direct public support	434,498	293,514
Interest income	<u>301</u>	<u>551</u>
Total unrestricted income	434,799	294,065
Expenses:		
Child abuse services expenses	325,081	297,039
Management and general	23,127	14,225
Fund raising	<u>55,540</u>	<u>35,009</u>
	403,748	346,273
	<hr/>	<hr/>
Increase (decrease) in unrestricted net assets	31,051	(52,208)
Net assets, beginning of year	<u>673,604</u>	<u>725,812</u>
Net assets, end of year	\$704,655 =====	\$673,604 =====

See accompanying notes.

CHILDREN'S ADVOCACY CENTER OF SOUTHEASTERN INDIANA, INC.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Increase (decrease) in unrestricted net assets	\$ 31,051	\$ (52,208)
Adjustments to reconcile net assets to net cash provided by operating activities:		
Depreciation	28,045	27,509
(Increase) decrease in:		
Accounts receivable	(27,101)	-
Increase (decrease) in:		
Accounts payable	(10,580)	22,705
Accrued payroll taxes	<u>1,029</u>	<u>123</u>
Net cash provided by (used in) operating activities	22,444	(1,871)
Cash flows from investing activities:		
Additions to property and equipment	<u>(25,538)</u>	<u>(594)</u>
Net cash provided by (used in) investing activities	<u>(25,538)</u>	<u>(594)</u>
Net increase (decrease) in cash	(3,094)	(2,465)
Cash at beginning of year	<u>180,248</u>	<u>182,713</u>
Cash at end of year	<u>\$ 177,154</u>	<u>\$ 180,248</u>

See accompanying notes.

CHILDREN'S ADVOCACY CENTER OF SOUTHEASTERN INDIANA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2016

	<u>Child Abuse Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Salaries and wages	\$ 86,337	\$10,278	\$ 6,167	\$102,782
Contract fees	129,167	2,095	8,378	139,640
Payroll taxes	<u>7,342</u>	<u>874</u>	<u>524</u>	<u>8,740</u>
Total salaries, wages and related expenses	222,846	13,247	15,069	251,162
Mileage	1,910	110	176	2,196
Maintenance and repairs	5,757	785	-	6,542
Telephone and internet	4,736	514	457	5,707
Insurance	2,901	322	-	3,223
Information technology	5,533	-	-	5,533
Dues, subscriptions and website	338	29	-	367
Operating supplies	855	-	-	855
Depreciation	26,643	1,402	-	28,045
Utilities	3,626	531	265	4,422
Legal fees	2,813	-	-	2,813
Accounting services	4,726	692	346	5,764
Advertising and promotion	340	-	-	340
Office supplies and expense	4,376	1,122	112	5,610
Auditing	3,081	585	234	3,900
Rent	-	1,566	100	1,666
Travel and training	18,124	-	-	18,124
Miscellaneous	9,011	1,513	757	11,281
Security	1,140	167	83	1,390
Meals	1,765	-	-	1,765
Licenses and fees	385	-	-	385
Client expenses	200	-	-	200
Groundkeeping	3,975	542	-	4,517
Fund raising	<u>-</u>	<u>-</u>	<u>37,941</u>	<u>37,941</u>
Total expenses	<u>\$325,081</u>	<u>\$23,127</u>	<u>\$55,540</u>	<u>\$403,748</u>

See accompanying notes.

CHILDREN'S ADVOCACY CENTER OF SOUTHEASTERN INDIANA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2015

	<u>Child Abuse Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Salaries and wages	\$ 66,300	\$ 7,800	\$ 3,900	\$ 78,000
Contract fees	150,026	-	-	150,026
Payroll taxes	<u>4,979</u>	<u>586</u>	<u>293</u>	<u>5,858</u>
Total salaries, wages and related expenses	221,305	8,386	4,193	233,884
Mileage	2,612	141	56	2,809
Maintenance and repairs	3,258	403	-	3,661
Telephone and internet	5,334	628	314	6,276
Insurance	3,206	356	-	3,562
Information technology	7,047	375	75	7,497
Dues, subscriptions and website	480	90	-	570
Operating supplies	1,294	-	-	1,294
Depreciation	26,134	1,375	-	27,509
Utilities	3,762	513	-	4,275
Legal fees	-	-	-	-
Accounting services	5,165	275	55	5,495
Advertising and promotion	372	-	-	372
Office supplies and expense	2,356	604	60	3,020
Auditing	3,420	-	380	3,800
Rent	1,833	-	-	1,833
Travel and training	2,780	309	-	3,089
Miscellaneous	-	-	-	-
Security	1,097	164	81	1,342
Meals	532	-	-	532
Licenses and fees	411	-	-	411
Client expenses	200	-	-	200
Groundkeeping	4,441	606	-	5,047
Fund raising	<u>-</u>	<u>-</u>	<u>29,795</u>	<u>29,795</u>
Total expenses	<u>\$297,039</u>	<u>\$14,225</u>	<u>\$35,009</u>	<u>\$346,273</u>

See accompanying notes.

CHILDREN'S ADVOCACY CENTER OF SOUTHEASTERN INDIANA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1. Nature of operations

Children's Advocacy Center of Southeastern Indiana, Inc. was incorporated in the State of Indiana as a not-for-profit organization on March 19, 2008. The Center is a child-friendly nonprofit created to minimize the trauma suffered by victims of child abuse. The Center is designed to use a multidisciplinary team approach which facilitates the prevention, detection, investigation and treatment of child abuse. The Center is open to eleven (11) counties in the State of Indiana.

2. Summary of significant accounting policies

Basis of accounting – The financial statements of Children's Advocacy Center of Southeastern Indiana, Inc. have been prepared on the accrual basis.

Fund accounting – To ensure observance of limitations and restrictions placed on the use of resources available to the Center, the accounts of the Center are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Accordingly, all financial transactions have been recorded and reported by fund groups.

The assets, liabilities and net assets of the Center are reported in one self-balancing fund group as follows:

Unrestricted funds which represent the portion of expendable funds that are available for the Center's program to meet the daily costs of providing child abuse services.

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

Cash and cash equivalents – The Center considers cash and cash equivalents to include cash on hand, cash in banks, certificates of deposit and all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Concentrations of credit risk – Financial instruments that potentially subject the Center to concentrations of credit risk consist principally of temporary cash investments and government grants. The Center maintains cash accounts at one bank in Dillsboro, Indiana. Cash and savings are insured by the Federal Deposit Insurance Corporation up to \$250,000. There were no uninsured cash balances at December 31, 2016. Concentration of credit risk with support from government grants from Federal, State and Local agencies arises if funds are not available in future years as they are currently. At December 31, 2016 the Center had no significant concentrations of credit risk in its government grants.

Property and equipment – On May 4, 2010 the Center purchased the land and building located at 12211 Rullman Drive in Dillsboro, Indiana. The Center capitalizes at cost all expenditures for property, furniture and equipment. Repairs and maintenance are expensed currently.

CHILDREN'S ADVOCACY CENTER OF SOUTHEASTERN INDIANA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

2. Summary of significant accounting policies (continued)

Depreciation – The cost of the building, improvements, furniture and equipment is depreciated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Building	39 years
Building improvements	39 years
Furniture, fixtures and computers	7 years
Equipment	5 – 7 years
Leasehold improvements	27 years

Revenue recognition – The Center records unrestricted revenue from donations, fund raising and government grants when received. Restricted revenue from government grants, which are reimbursement toward the actual costs of the programs are recorded as such costs incur. All direct contributions are considered available for unrestricted use unless specifically restricted by the donor. Revenue funds and grants received in advance for future programs and costs are recorded as temporarily restricted.

Donated services – Donated services are normally reflected as revenue in the financial statements at the estimated value of the services received with a corresponding charge to expense. No amounts are reflected for donated services unless an objective basis is available to measure the value of such services.

No amounts have been reflected in the accompanying financial statements for donated services because no objective basis is available to measure the value of such services; however, a substantial number of individuals have donated significant amounts of their time to the Center's programs and to the Center's fund raising efforts.

Income taxes – The Center is exempt from federal and state income taxes and accordingly no provision for income taxes has been made in the financial statements on the income from the Center's activities. The Center's calendar year tax returns for the years 2014 through 2016 are open for income tax audits.

Vacation pay – The Center expenses vacation pay and compensated absences when paid rather than when earned. There is no material effect on income or revenues in using this method rather than the accrual method.

Advertising – The Center expenses advertising costs as incurred. Total advertising expense including marketing and printing was \$340 in 2016 and \$372 in 2015.

Expense allocation – Expenses have been classified as child abuse services, management and general, and fund raising based on the actual direct expenditures and cost allocations based upon estimates of time spent by the Center's personnel.

3. Lease commitments

The Center leases satellite office space in Madison, Indiana on a month-to-month basis from River Valley Resources, Inc. commencing August 1, 2016. The monthly lease payment is \$166.66. The rental expense was \$1,666 in 2016.

CHILDREN'S ADVOCACY CENTER OF SOUTHEASTERN INDIANA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

4. Subsequent events

The Center has evaluated subsequent events through June 20, 2017, the date the financial statements were issued. No significant events have occurred through this date requiring adjustment to the financial statements or disclosures.

5. Contingent liabilities

In the normal course of business the Center has incurred various commitments and is contingently liable as a guarantor or endorser of notes.

In cases where losses are possible but not probable, it is the Center's belief that their ultimate resolution will not have a material effect on the Center's financial position as of December 31, 2016 and 2015, or the results of its activities for the years then ended.

6. Responsibilities for financial statements

The financial statements of Children's Advocacy Center of Southeastern Indiana, Inc. were prepared in accordance with accounting principles generally accepted in the United States of America. The integrity and consistency of these financial statements, and of other data presented in this report, are the responsibility of the Center and properly include some amounts that are based upon estimates and judgments.

The Center is further responsible for maintaining a system of internal controls, including internal accounting control, that provides an appropriate division of responsibility and is designed to assure that the books and records reflect the transactions of the Center and that its established policies and procedures are carefully followed. The system is constantly reviewed for its effectiveness and is augmented by written policies and guidelines, and the careful selection and training of qualified personnel.



COLLINS HEEB & ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS

4903 VINE STREET
CINCINNATI, OH 45217-1252

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

**The Board of Trustees
Children's Advocacy Center of Southeastern Indiana, Inc.
Dillsboro, Indiana**

Our report on our audits of the basic financial statements of Children's Advocacy Center of Southeastern Indiana, Inc. (an Indiana not-for-profit organization) for the years ended December 31, 2016 and 2015 appears on pages 1-2. The audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Collins Heeb & Associates, Inc.

June 20, 2017

CHILDREN'S ADVOCACY CENTER OF SOUTHEASTERN INDIANA, INC.

SCHEDULE OF FINANCIAL ASSISTANCE

Years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Dearborn County	\$ 25,000	\$ -
Jefferson County	26,581	-
Ripley County	9,000	9,000
Switzerland County	10,000	10,000
City of Lawrenceburg	75,000	75,000
Dearborn County Community Foundation	500	7,934
Jennings County Community Foundation	-	250
Ross Foundation	2,500	3,400
Vevay Switzerland County Foundation	-	300
Indiana Department of Child Services (U.S. Department of Justice Pass-through)	90,215	82,596
Victims of Crime Act (U.S. Department of Justice Pass-through)	<u>69,236</u>	<u>-</u>
	<u>\$308,032</u>	<u>\$188,480</u>
	=====	=====



COLLINS HEEB & ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS

4903 VINE STREET
CINCINNATI, OH 45217-1252

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**Board of Trustees
Children's Advocacy Center of Southeastern Indiana, Inc.
Cincinnati, Ohio**

We have audited the financial statements of Children's Advocacy Center of Southeastern Indiana, Inc. ("the Center") as of and for the year ended December 31, 2016, and have issued our report thereon dated June 20, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Center's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America, such that there is more than a remote likelihood that a misstatement of the Center's financial statements that is more than inconsequential will not be prevented or detected by the Center's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Center's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

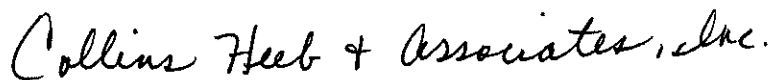
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Children's Advocacy Center of Southeastern Indiana, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Collins Heeb & Associates, Inc.
Certified Public Accountants

Cincinnati, Ohio
June 20, 2017